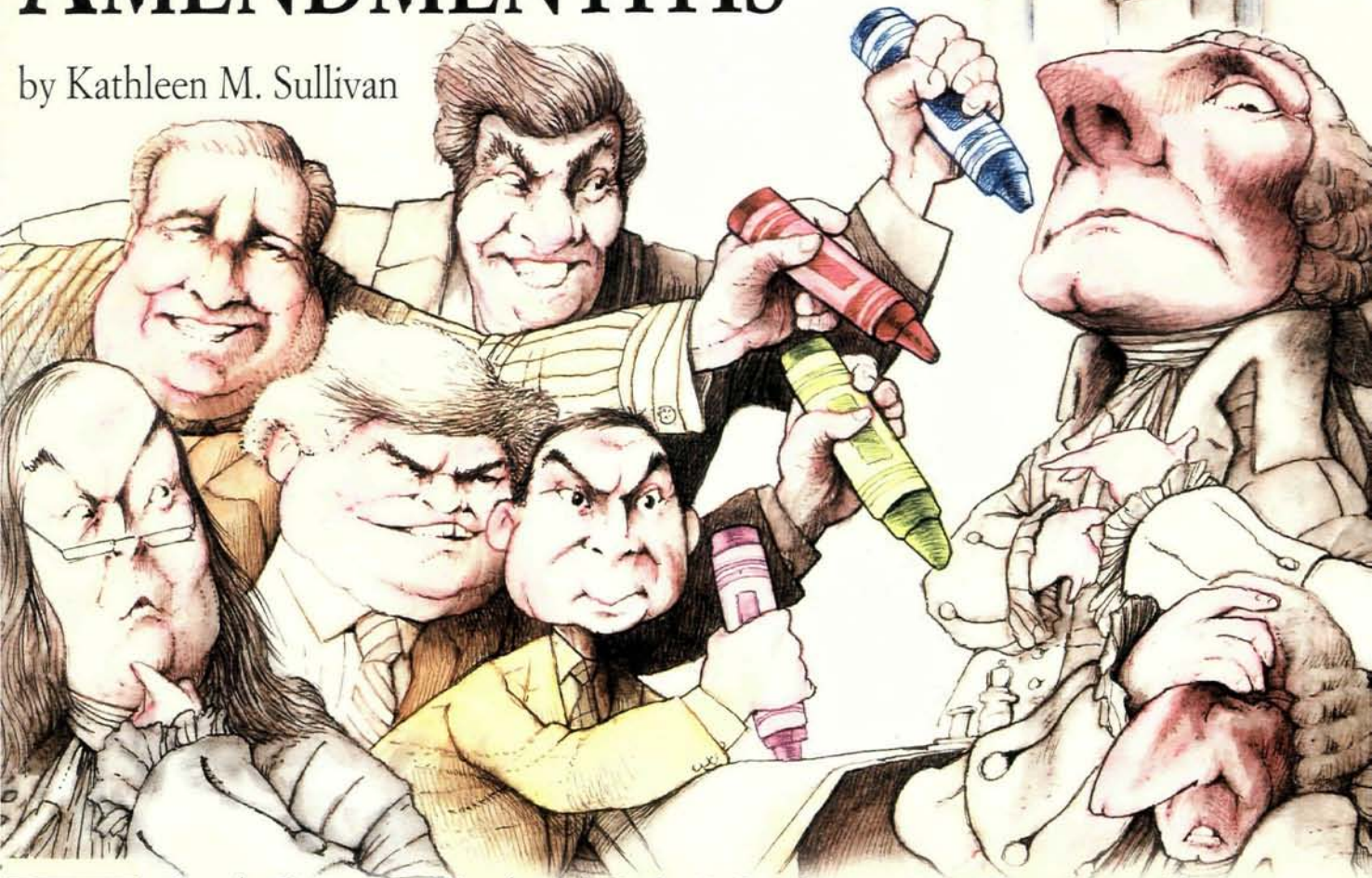


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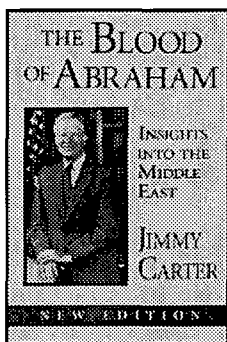
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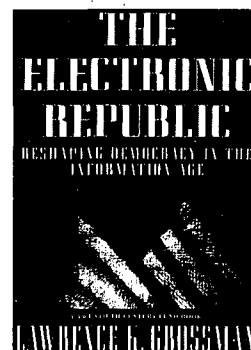
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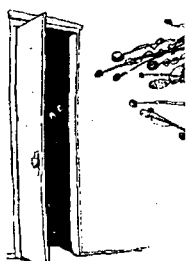
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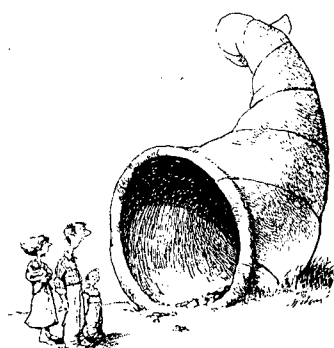
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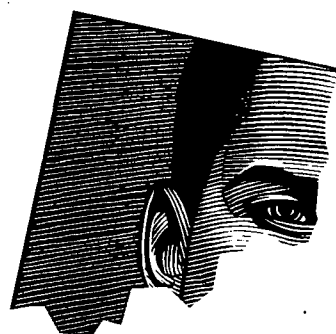
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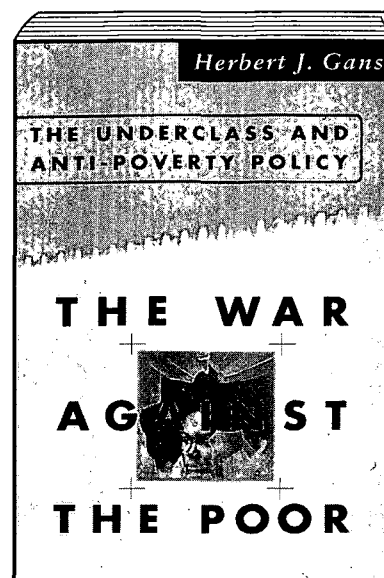
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We continue to reckon with the consequences and meaning of the 1994 election. One of the consequences is a new jeopardy to vital constitutional principles from the spate of amendments being promoted by Republicans in Congress. In this issue, Kathleen Sullivan patiently returns to the logic of the Framers to explain what's wrong with "amendmentitis" in general and the currently proposed amendments in particular. It's time Sullivan's views were heard: Strangely, there exists no national organization to oppose the amendments.

Also in this issue, Karen Paget questions one of the basic premises of both the Congress and the president in the budget debate: the untouchability of defense spending. Although it does not (yet) have any effective political voice, the case for curbs has support from eminently respectable defense experts.

Several other articles look back to 1994 and ahead to 1996. Stanley Greenberg finds grounds for a Democratic comeback in the voters' reaction to the Republican Congress. A pair of analyses from the Economic Policy Institute suggests an explanation for 1994 rooted in economics. Lawrence Mishel analyzes the long-term deterioration in wages, and Ruy Teixeira and Joel Rogers find that the biggest desertions from the Democrats occurred among groups of voters who had seen their standard of living fall. In a related article, Carol Swain welcomes the Supreme Court's rejection of racial gerrymandering.

In a different vein, Rosabeth Moss Kanter looks at the software industry as a model for a new system of "employability security" to replace the traditional ideal of job security.

Finally, we welcome back to our pages Josh Gamson, who earlier wrote about tabloid TV journalism ("Incredible News," *TAP*, Fall 1994) and now turns his discriminating eye to daytime TV talk shows.

PAUL STARR AND ROBERT KUTTNER

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PAUL STARR

Between a Swing and a Lock

To their credit, the Republican leaders in Congress have had a highly strategic view of the uses of policy in consolidating political power. Newt Gingrich and his colleagues set themselves a clear agenda and they have stuck to it, conscious that their first priority, more important than any single piece of legislation, has been to demonstrate the capacity to govern and to make good on their word. They have put issues first that united them and deferred those that divided them. Rather than repeal liberal policies one by one, they have chosen broad legislative measures, such as block grants, that cancel out decades of legislation all at once. On everything essential, especially in the House, they have maintained party discipline—moderate Republicans may bite hard on some votes, but they have stuck with their leadership far more than conservative Democrats have stuck with theirs in the last Congress or the present one.

What unites the Republicans despite their rivalries and fissures is a historic project, which might be described as turning a swing into a lock. As Gingrich has made abundantly clear, his aim is to extend the swing to the right at the last election not merely to 1996, but into the next century. The last two times Republicans won the House, in 1946 and 1952, they lost it in two years; they seem determined not to repeat that again. Consummating the conversion of southern Democrats may well provide Republicans with the needed margin for locking in their position.

Moreover, the Republicans now offer corporate interests the full services of incumbency, and they

have made it plain that they expect full tribute in return. Interest groups that used to split their political contributions more or less evenly between Democrats and Republicans are now giving more than 90 percent of their money to Republicans. Such measures as the telecommunications bill and the bills limiting environmental regulation and product liability reinforce alliances with corporate interests that give the Republican Party an increasingly dominant edge in political resources.

None of this is to say that what the Republicans are doing is actually popular. As Kevin Phillips has put it, the new Congress “has set a record for provoking disillusionment in just eight months of new party control.” In December of last year, according to Times-Mirror polls, a majority of 52 percent to 28 percent approved of congressional Republican policies; by March, support was down to a plurality, 43 percent to 39 percent, and by June disapproval was ahead 45 percent to 41 percent. Stanley Greenberg (“Democratic Opening,” page 66) reports that by the summer, disapproval of the Republicans was up another ten points. The public’s view of Gingrich personally has turned overwhelmingly negative.

Yet weakening support has not in the least deterred the Republican leadership. They know what they are about, and they are focused on digging in. Throughout this year’s political jockeying, the truly important question has been not how the public responds in the short run on a particular issue, but

whether the outcome serves the larger ambition of the right to establish a new “regime” in national policy and politics, so deeply entrenched that it can even outlast their congressional majority.

The constitutional amendments and seven-year budget plan being proposed by Republicans are critical steps toward cementing the new regime. As Kathleen Sullivan cogently argues in this issue (“Constitutional Amendmentitis,” page 20), there is no modern precedent for the current rash of amendments. Normally, the political opposition accepts majority decisions in the confidence that it will have a chance to convince the voters of its case at the next election. Policies that are embedded in the Consti-

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the swing
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turned into
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tution, however, become extremely difficult to reverse, which of course is exactly the intent. For the opposition, winning a mere majority in the future is no longer enough; amendments raise the bar.

The proposed balanced budget amendment, which Bob Dole has promised to revive, includes a requirement for a supermajority of 60 percent of both houses of Congress to approve a budget with a deficit. In its original version, the amendment had a similar requirement for tax increases; to win extra support, the revised Senate proposal last March reduced that hurdle to an absolute majority of both houses, but if the Republicans pick up several extra seats in the Senate in 1996 and retain the House, they may well put back the 60 percent level. These requirements would give a conservative minority in the future the power to prevent a new majority from restoring public expenditure to earlier levels. They would help turn a swing into a lock.

No Congress can obligate a future one through ordinary legislation, but it can create presumptions and built-in pressures. So even without the amendment, the Republicans have used the budget as an instrument of long-term policy control. Of course, Democrats did the same with entitlements, and both parties have done so with tax expenditures and defense acquisition programs: It is not long-term effects per se that are objectionable but the substance of Republican budget plans. By prevailing on the three crucial premises of the budget debate—absolute elimination of the deficit, no tax increases, and a rise in defense spending—the Republicans have foreclosed on a litany of domestic programs and pulled back the boundaries of political possibility for the foreseeable future. They have made it seem inevitable, and even high-minded, to reduce or eliminate benefits to low-income people, from the earned income tax credit to Head Start and other programs that are demonstrably beneficial.

The critical, indeed historic change is not so much the reduction in spending as the termination of legal rights. If welfare, Medicaid, and even food stamps are subsumed under block grants as the Republicans have designed them, the poor will lose their federally enforceable right to benefits, indeed, all rights associated with those programs. The affected groups, primarily women and children, have raised no significant resistance, nor has any protest been conspicuously mounted on their

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behalf. As a result, this year could well mark the end of the effort, at least in our time, to build a national floor of social guarantees in America.

None of this has really hit home. The public has shown far more interest in the evidence at the Simpson trial than in what is going on in Washington. And by postponing the bulk of budget cuts until after 1996—indeed, backloading the most severe until the last years of their seven-year plan—the Republicans may have avoided an immediate backlash.

Except, perhaps, for one area.

RECKONING WITH MEDICARE

Newt Gingrich once predicted that health care would be a “domestic Vietnam” for the Democratic Party, and some Democrats may now wish they had heeded his warning. So it may seem surprising that Gingrich and Dole should send their own troops into the same war by seeking to cut \$270 billion from Medicare. If the Republicans were not trying both to balance the budget and to cut taxes by \$245 billion, the coming confrontation over Medicare might have been avoided. Ending Medicare as we know it was not one of the promises in the Contract with America. But just as Democrats in 1992 saw health care as a way to revitalize their political coalition and policy regime, so Republicans have now chosen to make health care the central battle in solidifying their new regime. Controlling Medicare costs is critical to long-term fiscal discipline, and in their effort to change Medicare conservatives have the same formidable allies from the insurance industry and other business lobbies that helped them defeat national health reform.

Yet the Republicans have probably reached this issue sooner than some of them would have liked, and it has already led them into a quagmire—not necessarily a Vietnam, but a quagmire of deception. Before the August recess, Republican members of Congress were sent home with a script of “talking points” on Medicare that emphasized, according to the *New York Times*, that the changes they would propose this fall were necessary to “save” Medicare and would give “the elderly ‘the

same rights as other Americans,’ including ‘the right to choose’” a health plan.

I count five separate lies here. First, giving the elderly “the same rights as other Americans, including the right to choose a health plan,” suggests that other Americans have such rights, which they do not. More than one out of six Americans under age 65, of course, has neither coverage nor any right to it. Of those who do get coverage from their employer, half have no choice of plan. The changes in Medicaid instituted or sought by many Republican governors include mandatory managed care—no choice there. The “right to choose a health plan” was precisely the right that the Clinton health plan and other reform proposals would have created. It is bizarre for Republicans to invoke such rights after they succeeded in defeating them.

Second, and even more bizarre, Medicare beneficiaries are now free to choose their health care—indeed, they have wider choices than most other Americans do. They can go to any doctor or hospital, and they can enroll in an HMO. What the Republicans mean but cannot say is that they want to change the terms of choice so that beneficiaries have to pay more to stay in fee-for-service Medicare.

Third, Gingrich and others in his party have repeatedly assured the elderly that they will be able to stick with the current Medicare program, without honestly explaining that they want to make changes that will make it unattractive to remain. Four-fifths of the elderly today combine Medicare with a supplementary (Medigap) package, which typically covers deductibles and copayments. Under a draft Republican proposal in circulation this summer, the elderly who bought such policies would be responsible for a higher share of costs than if they agreed to go without Medigap coverage. This would raise the cost of supplementary insurance for those who bought it and raise out-of-pocket costs for those who gave it up. The draft proposal also called for capping federal expenditures for Medicare. When health care costs rise faster (which they are virtually certain to do), payments to providers under Medicare’s fee-for-service program would be automatically reduced. Because

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of the stringency of the cuts, Medicare beneficiaries' out-of-pocket costs would shoot up, or a growing number of doctors and hospitals would stop accepting fee-for-service Medicare, much as many providers shun Medicaid beneficiaries. Hence the end of Medicare as we know it.

Fourth, the claim that Republicans are cutting Medicare by \$270 billion to "save" it brings back other Vietnam memories—the American officer explaining that his troops were destroying a village to save it. The \$270 billion spending reduction target plainly has nothing to do with saving Medicare and everything to do with driving the deficit to zero and cutting taxes. Indeed, the Republicans' claim to be "saving" Medicare simply reflects findings from focus groups and polls that Americans were overwhelmingly opposed to cutting Medicare. For example, a *Wall Street Journal*/NBC poll ending August 1 showed the public opposed by a margin of 75 percent to 20 percent to cutting Medicare to pay for tax cuts; by a majority of 56 percent to 38 percent, the public disapproved of cutting Medicare to reduce the deficit.

Fifth, the shift to managed care being proposed by the Republicans is, in fact, unlikely to bring about anything like \$270 billion in savings. Medicare has restrained costs about as well as the private sector because it has held down payments to doctors and hospitals. Managed care plans can't do much better on the unit cost of services, and while they can reduce the volume, the savings are offset by higher administrative costs and profits (which together run 25 percent to 30 percent of revenue in many for-profit managed care plans, compared to 3-4 percent in Medicare). Moreover, the American Medical Association is supporting the Republicans precisely in the hope that the voucher system will bring an end to the limits on physician charges—not exactly an auspicious omen for cost containment.

Nor does the evidence actually show any savings to Medicare from enrollment of the elderly in HMOs. Currently, when a Medicare beneficiary enrolls in an HMO, the HMO is paid 95 percent of the average adjusted per capita fee-for-service cost in the region. The most widely accepted research, however, suggests that HMOs do not sign up elderly people with average costs; they sign up healthier seniors, who would have cost Medicare less than 95 percent of the average if they had stayed in fee-for-

service. So Medicare loses money on HMOs. Improvements can unquestionably be made in the payment system (though just paying HMOs less could lead them to underserve seniors), but no responsible analyst projects substantial savings from moving Medicare to managed care. This has been the view of the Congressional Budget Office—at least, until the arrival of the Republicans' new appointee as director, June O'Neill.

Yet even if we were certain that managed care would save money in Medicare, we can't count the savings twice. If the elderly are to pay less when they enroll in an HMO, as the Republicans have repeatedly said, that money can't also be saved by the federal government. If Medicare is to spend \$270 billion less, the elderly will have to pay more or get less—or, most likely, both.

There is a good case for introducing an open enrollment for HMOs in Medicare, adjusting payment to HMOs more accurately to reflect the risk of each beneficiary, and letting beneficiaries benefit from choosing more efficient health plans. Republicans and Democrats could probably agree on those changes and more moderate spending reductions, if the Republicans weren't demanding \$270 billion in cuts and a tax cut of similar magnitude. But the apparent intransigence of the Republican leadership on these goals has set up what is widely expected to be the great Train Wreck of the fall.

THE WRECK AND THE LOCK

So it will come to this: who blinks first—the president or the Republican leadership—when the collision between them looms this fall. As the battle shapes up as of midsummer, the president will veto appropriations bills in October, congressional Republicans will threaten to withhold approval of a rise in the debt ceiling most likely in November (threatening the first default in history by the federal government), and conflict over the ill-named "reconciliation" bill (containing the tax cuts and changes in Medicare and other entitlements) will come to a head in November or December.

With so much at stake and the Republicans losing popular support, the president has every reason to hold firm and to dramatize the differences between his position and theirs. The prospect of a train wreck may not be quite as fascinating as the Simpson trial, but it could focus public attention

on the substance of the budget. We need the drama of a train wreck to avoid a far worse result: the swing of '94 being turned into a lock for years to come. The Republicans' positions on environmental protection,

Medicare, and other programs are deeply unpopular. In the end, the president will have to cede ground on many of the cuts, but he should fight to preserve the principles embodied in national programs. (The one virtue of backloaded spending reductions is that there is plenty of time to reverse them.) The entitlement status of Medicaid and food stamps is particularly important to maintain as a kind of minimum social protection. The cash benefits of the welfare system, in contrast, are so deeply flawed that it might well be better to start all over sometime in the future with a European-style family benefit, based on child-support assurance and a refundable tax credit. Still, if a modified national entitlement can be preserved, as Senate Democrats have proposed, that will offer some protection against a free fall in benefits as states face a growing fiscal crunch from devolution in the late 1990s.

That is when we are most likely to see the real train wreck. Budgetary debates leave most people's eyes glassy with boredom and confusion, but budgets ultimately have real consequences. It will be astonishing if Republicans can convince voters this year that their proposed \$270 billion in cuts in Medicare and other changes will save the program and give beneficiaries more choice. But even if they pull that off, the reality is that their proposals will make beneficiaries pay more and face greater restrictions. The Republicans may succeed in devolving welfare, Medicaid, and food stamps to the states. But if they do, many states will cut back benefits to avoid becoming magnets for the poor; in the competition for state budget funds, poor women and children are unlikely to be the winners. And while some of the poor will find jobs when faced with a cutoff in benefits, many more will become destitute and will lose medical coverage for themselves and their children.

Perhaps Republicans can sell radical tax reform

The real train wreck will come when reality collides with ideology.

in 1996. But if they do replace the progressive income tax with Dick Armey's flat tax (which has no taxation whatsoever of capital gains, dividends, and interest), the burden of taxation will be lifted from capital and fall entirely

on labor. Low-income workers will lose the earned income tax credit entirely, and millions of middle-income families will see their taxes go up.

The real train wreck will take place when reality collides with ideology, and a public furious about being lied to demands change. If the Republicans then have a lock on the political system, God help us—the resulting political instability could shake our constitutional foundations. The time to prevent that wreck ought to be now by awakening the public to the real harm that the Republican budget, tax proposals, and constitutional amendments would bring about. □

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THEORIES OF CONVENIENCE

It is an article of faith to supply-siders that budget deficits do not significantly influence interest rates. This was their consistent position during the debate over President Clinton's first deficit reduction plan, when the administration claimed its deficit reduction would encourage growth by lowering interest rates.

In February 1993, for instance, Daniel J. Mitchell of the Heritage Foundation argued on the op-ed page of the *Wall Street Journal* that "budget deficits have fluctuated widely in the past 20 years, yet the accompanying shifts in interest rates predicted by theory have failed to materialize."

Now it's the Republicans who are making the same assumption about the deficit and interest rates. If Mitchell and other supply-siders are right, the Republican projections are a fraud.

But don't expect to see Mitchell making this claim any time soon though. "We on the right are happy with the direction the budget is taking," he explains, "so we are not going to nitpick."

Meanwhile, the *Journal* editorial page is desperately searching for a way out of this intellectual bind. And it may have found one. Republican Senator Connie Mack of the Joint Economic Committee has argued that the balanced budget will put an extra \$4,000 in every family's pocket within a decade. Why? Restoring the government to the

size it was during the 1950s and early 1960s would reproduce the same economic growth the country enjoyed during that era. The *Journal* lent credence to this logic in an editorial: "Cutting government back to a simple 17.9 percent of GDP might take us back to an era when we averaged 4 percent growth, instead of recent decades' 2.6 percent."

It might! Then again, of course, the share of GDP represented by government was even lower in 1929. Contrary to what you may have been told, research shows no consistent relationship between growth rates and government spending.

THE CORPORATE DOWNTRODDEN

When House Republicans passed their tax cut package in the spring, they included a provision to repeal the alternative minimum tax. Congress created this tax in 1986 to prevent large corporations from using loopholes to avoid paying any taxes whatsoever.

Although repealing the alternative minimum tax will cost the government an estimated \$17 billion in lost revenue, the Republicans say the move is justified because the current tax system stifles corporations, and hence economic growth. "We are overtaxing our businesses,"

declared Representative Nick Smith, Republican of Michigan, on the floor of the House.

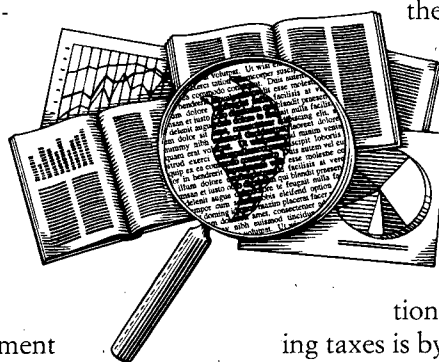
But according to a recent report by the nonpartisan General Accounting Office, 37.2 percent of large U.S.-controlled multinational corporations, defined as those having assets greater than \$100 million, did not pay a single dollar in federal taxes in 1991. An additional

30.2 percent of these companies offered up less than \$1 million for the federal coffers.

The most common way these multinationals escape paying taxes is by claiming that costs their foreign subsidiaries generate are U.S.-related. On paper, these costs reduce their U.S. profits, thus lowering their federal tax bill.

With overtaxation like this, it's a wonder that these large corporations are able to turn enough profit to support their modest lobbying efforts in Washington.

— Jesse Angelo



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JONATHAN CHAIT

The Ideologically Invested

When President Clinton announced his economic plan in 1993, *Wall Street Journal* editor Robert Bartley had no doubt about what would happen. Clinton's proposals, he predicted in a column in February 1993,

Heat
on the
Street

would "cripple" the economy. While the plan was debated, this absolute certainty about its effects pervaded the *Journal's* discussion on both its editorial and op-ed pages. By the time the plan passed the House, the recession had already begun: "[W]e are seeing," the *Journal* editorialized, "the early signs of the stagflation that we knew so well during the Carter presidency." The only "debate" the editors saw was whether this would cause another Great Depression or merely a severe recession.

Nor was the *Journal* editorial page alone in predicting doom. Shortly after Clinton's plan passed, *Forbes* ran a cover featuring investment officer Barton Biggs's advice to move assets overseas. "We want our clients' money as far away from Bill and Hillary as we can," he said. "The president is a negative for the U.S. market."

Moving assets abroad, for *Forbes*, was the more moderate course of action. The other choice it advocated in two 1994 articles was to renounce citizenship and flee the country. *Renounce citizenship?* "The people who are in power want to confiscate other people's property," it quoted a lawyer by way of explanation. The hysteria also resonated in the *Journal*, which printed a series of editorials called "The Class Warfare Economy." Lest the point be too subtle, the line was helpfully accompanied by a graphic of a guillotine.

Reacting so wildly to a small hike in the

top marginal rate to 36 percent—now only the second lowest in the industrialized world—was not just loony but objectively wrong. The rich, it turns out, have fared rather better under Clinton than under a lot of Republican presidents. The economy has hummed along (particularly for the well off), and the stock market has boomed, breaking one record after another.

But you're not likely to find any admission of error by the business commentators who were predicting doom. Take, for example, the columns of Steve Forbes, son of tycoon Malcolm, in *Forbes*. In May 1993, Forbes wrote, "Clinton's proposed tax increases are what is dampening the economy." This was *before* they went into effect, or even made it past Congress. In April of the next year, Forbes was telling his readers, "The thought won't occur to anyone in the White House, but there is a more than passing connection between financial market wobbliness and taxpayers' feeling the full brunt this month of Clinton's tax increases."

The economy, nonetheless, continued to grow. Apparently, it took somewhat longer for taxpayers to feel the brunt. In June 1995, 14 months after increased rates went into effect, Forbes announced that the Clinton economic plan was finally taking its terrible toll: "The economy is faltering and it's no secret why: increased interest rates and increased taxes."

To date, it hasn't happened. But whenever the business cycle does turn down, we can be sure Steve Forbes will be there to say "I told you so." On the bright side, in July Forbes finally reconciled himself to the stock market's success: "What's stoking the stock market? Principally, the potent

prospect of a significant cut in the capital gains tax and the possibility that it will be made retroactive to Jan. 1."

In other words, investors were ignoring the supposedly crushing tax rates that were in effect because of the possibility that Congress would pass a capital gains tax cut and override a presidential veto.

REAL MEN HATE TAXES

How did it come about that an influential minority of the business press would become so incorrigibly fanatic that it went haywire over Clinton's economic plan and then could not bear to admit it was wrong? The answer dates back to the 1970s, when a clique of radical journalists centered around Bartley's *Wall Street Journal* editorial page developed supply-side theory.

In his recent book *The Freedom Revolution*, House Majority Leader Dick Armey writes, "There was nothing particularly complicated about what Reagan did. The big thinkers departed. No more macroeconomic meddling. No more talk of aggregates this and aggregates that. Above all, no more reliance upon 'experts,' but instead a reliance on real men and women."

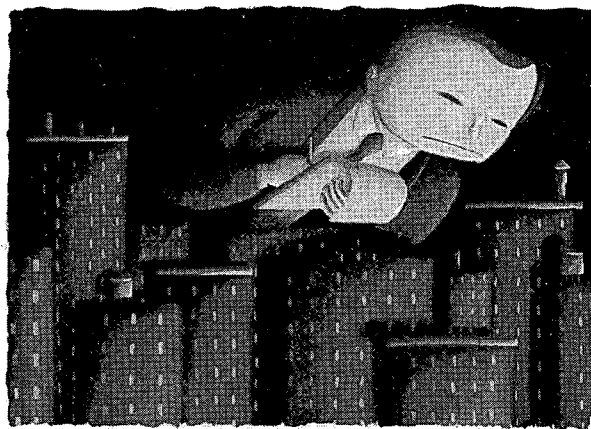
This may come as news to Bartley (not to mention Alan Greenspan). As Bartley writes in his book *The Seven Fat Years*, Reaganomics grew out of conversations over dinner in the 1970s at the posh New York restaurant Michael 1 among a small circle of thinkers who rejected mainstream economic thinking. "These discussions," Bartley recalls, "spawned, at least in my mind, what later became known as supply-side economics—if not indeed what later became the Reagan administration's economic policy."

Armey may be deluded in recalling Reagan's advisors as plain old folks, but he's right that the supply-siders weren't experts. It was more like a cult. From the start, they had two preoccupations that distinguished them from much conservative as well as liberal mainstream economic thinking. First, they were obsessed with the idea of returning to the gold standard; and second, they rejected business cycle theory, holding instead that the economy's performance was almost exclusively determined by marginal tax rates. Since neither party showed any interest in bringing back the gold standard, the supply-siders became increasingly

identified with the more politically appealing idea of lower tax rates, until that passion entirely consumed them. No mere data, such as the performance of the economy after enactment of Clinton's higher rates on the affluent, could possibly be allowed to muddy the pristine clarity of their beloved theory.

The insulated intellectual culture that Bartley created at Michael 1 and on the *Journal's* editorial page helped maintain the vehemence of this tiny coterie in the face of contradictory evidence. In this closed marketplace of ideas, the true believers fed off of each other's mutually reinforcing insights without challenge, gaining legitimacy in both their own eyes and the eyes of their powerful readers.

The supply-side cult has only grown larger and more influential since Reagan's ascent. Bartley and his disciples in right-wing business publications and think tanks continue to wield a wildly disproportionate voice in our national debates over economics.



"Equal distances from the center of economic thinking don't carry equal weight," observes Stanford economist Paul Krugman. "Surprise, surprise! The right has more money, and more magazines."

But if the supply-siders are just out to protect the interests of wealthy investors, they're not doing a very good job. While Bartley and his sect portray themselves as coolheaded capitalists (*Forbes* advertises itself as a "capitalist tool"), they're actually ideological hotheads whose reputations are so tied to the fortunes of the supply-side wing of the Republican Party that they can't provide useful market analysis. It would have been poetic justice if they had followed their own advice and moved their assets overseas in 1993, maybe to Japan, as

they would have missed out on one of the biggest stock market booms in history.

DECRYING WOLFF

During the past two decades, the United States has grown more economically stratified. The evidence from numerous sources on this trend is overwhelming—and overwhelmingly accepted by economists—although there is much dispute over the causes and no agreement whatsoever about how to respond to it. Most of the major news magazines and newspapers, including the *Wall Street Journal's* own news columns, have reported the trends. *Business Week*, in a cover story, contrasted the sharp rise in corporate profits with the flagging pace of wages.

In contrast, the ideological business press has devoted itself to obfuscating and denying the trends. One recent example is a spate of articles denouncing a study by the economist Edward Wolff of New York University showing that the gains in wealth went overwhelmingly to the super rich between 1983 and 1989—Bartley's seven fat years. Wolff's findings appeared in these pages ("How the Pie Is Sliced: America's Growing Concentration of Wealth," *TAP*, Summer 1995) and in a longer report from the Twentieth Century Fund. While some reputable economists take issue with the magnitude of Wolff's findings, few deny the trend toward rising inequality. The *Journal* opened page, however, ran no fewer than four critiques of Wolff's study, including a series of columns called "The Inequality Myth." The articles, taken as a whole, made two basic arguments:

Argument A: There has been no increase in inequality of wealth.

Argument B: There *has* been an increase in inequality of wealth, and it's a good thing, too.

"Did the rich get richer and the poor get poorer during the Reagan years?" asked John Weicher of the Hudson Institute, "No, or at least not much, if at all." (Argument A).

A month later, Bruce Bartlett disputed Wolff's conclusions. What was his source? John Weicher's data. Only Bartlett's interpretation of Weicher's study was different from Weicher's: It was headlined, "The Rich Get Richer, and That's All Right" (Argument B). The next day, in "What Wealth Gap?", Michael Novak of the American Enterprise Institute piled on:

Between 1983 and 1989, family wealth (marketable possessions) went up for all income groups. Contrary to most news reports, however, it went up more for those at the lower levels. (Argument A)

and:

Today, well into the greatest stock market boom in history, the "gap" between those who invest and those who do not has necessarily grown. . . . Besides, why even suggest that it's wrong for "the top 1%" (or even the "top 20%") to invest successfully, so that their wealth keeps growing? Isn't it better that the rich invest, rather than merely consume. . . (Argument B)

These rejoinders were misleading as well as contradictory. Novak's article showed little growth in

It would have been poetic justice if they *had* moved their assets overseas.

the wealth of the richest groups because he lumped together all those with incomes over \$50,000 a year. This obscured the changes within that category, which is where all the action took place. Weicher's article featured a chart breaking down wealth not by per capita income but by

race and marital status. Again, it implied wealth equality by hiding the changes. "The rich aren't different from you and me because they are married without children," replies Krugman, "they're different because they have more money."

The gang-up on Wolff was classic *Journal* editorial page. The rash of critical responses, laden with charts and numbers, projected the impression of an academic dispute over wealth inequality. In fact, the only substantive dispute with Wolff came from Weicher's study, and this boiled down to a technical quarrel over weighting of measures. The "debate" over wealth inequality, like much discussion on the *Journal* editorial page, was a series of specious and often contradictory attacks by an insulated group of concordant thinkers intent upon reaching a preordained conclusion. Cognitive dis-

sonance is not appreciated. Wolff, who is editor of the economics journal *Review of Income and Wealth*, sent a letter to the *Journal* responding to his critics, but it was never published.

THE NEXT CRUSADE

A recent *Forbes* story attributed America's economic recovery to the tax cuts of the 1980s. When do Reagan's tax cuts stop getting credit for the economy? Whenever it slows down. Supply-siders blamed the recession of the early 1990s on George Bush's abandonment of Reagan's policies. Somehow the boost from Reagan's tax cuts has been felt anew.

Unfortunately, the supply-side press is not exclusively concerned with rehabilitating Reagan's economic record. They have a new project: Abolish the progressive income tax and replace it with either a flat tax or a national sales tax. The theory is not new. Reducing the burden on the wealthy (this time by shifting it downward rather than financing it with government debt) would create an economic boom that benefits everyone. Only, the latest tax reform proposals redistribute the tax burden on a scale that Reagan never imagined. This is why the radical business press so strenuously denies the fact of growing inequality. If the rich are growing richer as everyone else falls behind, how can you possibly justify instituting new tax policies that radically compound this trend?

One answer of theirs, amazingly, is fairness. Our current system, tax reformers point out, is riddled with loopholes that benefit the rich and hence replacing it could be "fairer." But why not eliminate the loopholes and keep the progressive rates? Because the right thinks the current system is, on balance, biased not in favor of the rich but against them. An editorial in the *American Enterprise* made this case in perhaps its strongest form. Noting the medieval European practice of levying higher tax rates on religious minorities—"discriminatory taxes imposed by one class of citizens against another"—it complained that today, "disparately higher rates have been slapped on the wealthy." Apparently, taxing people based on their ability to pay is equivalent to taxing them based on their religion. (By this logic, of course, giving food stamps only to the poor—"reserving special benefits for certain classes of citizens," the *American Enterprise* might call it—is tantamount to limiting suffrage to

male landowners.) Hence, the flat tax becomes a moral imperative.

The Republican tax plans, though, would not tax everyone at the same rate. Take Arme's flat tax, which is the most progressive of the Republican alternatives. It totally exempts capital gains from taxation and imposes a huge consumption tax. Since the rich receive a disproportionately high percentage of their income from capital gains and devote a disproportionately low percentage of their income to consumption, they would pay the proportionately lowest taxes. This is undeniably true, yet it will undeniably be denied, repeatedly. It's already happening in the same publications that nurtured supply-side theory from a laughable fringe to the nation's economic policy. It may seem preposterous to suppose that the purveyors of a discredited theory could convince the Republican Party to raise taxes on the vast majority of Americans in order to enrich the well off. But they already have more support than they had in 1980.

Will the spirit of enlightened self-interest, wherever you are, please stand up? □

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LIP SERVICE TO THE FIRST AMENDMENT

To the Editors:

Though one can sympathize with Cass Sunstein's abhorrence of speech that advocates violence ("Is Violent Speech a Right?", Summer 1995) his readiness to compromise hard-won First Amendment principles to achieve his laudable ends is deeply disturbing. While paying lip service to the Supreme Court's *Brandenburg* standard for protecting advocacy of illegal action, he seeks to exploit what he claims to be its ambiguity (a premise I question) by seriously undermining it. What he proposes, in effect, is to distinguish between public speeches, books, newspapers, leaflets, etc., on the one hand, and the electronic mass media on the other, by watering down the First Amendment as to the latter because they reach so many more people.

We have heard this siren song before, when movies first came upon the scene. And for nearly half a century afterwards they were not given the protections of the First Amendment accorded to live stage plays because they reached the great unwashed masses who presumably could not be as trusted to resist bad speech as elite theatergoers. Happily, the Supreme Court obliterated that distinction in 1957, and I hope it will not buy into Sunstein's seductive proposition either. Sunstein worries that "one or two, or ten" people out there in the talk radio or Internet audience might be provoked to violence by what they hear or see, but why the same reasoning does

not apply to readers of *Mein Kampf* or the *Turner Diaries* is not at all clear. Perhaps he would really like to ban them too but hesitates to say so because he understands how quickly his house of cards would then fall.

He is also mistaken, I believe, in his assertion that the "*Brandenburg* test . . . does not protect the publication of bomb manuals." He may wish it were so, as his approval of the lower court decision in the *Progressive* case indicates, but if he were to have his way on that we would have to shred a lot of scientific treatises and encyclopedias on the shelves of our public libraries.

Brandenburg is admittedly tough First Amendment medicine that presumes citizens are capable of deciding for themselves whether to heed the call of the pied pipers of violence, and that they accept responsibility for their own behavior. If we scrap that presumption we are really abandoning democracy in favor of a Big Brother who tells us that we shall hear no evil, see no evil, or speak no evil. No thank you, Professor Sunstein.

Franklyn S. Haiman
Evanston, Illinois

Mr. Haiman is the John Evans
Professor Emeritus of Communication
Studies at Northwestern University.

CASS SUNSTEIN RESPONDS:

Professor Haiman overreads my argument, which is an endorsement of the speech-protective *Brandenburg* test with the qualification that two very narrow categories of speech do not deserve constitutional protection: (1) explicit instructions on how to

build weapons of mass destruction, sent to millions of people; and (2) explicit advocacy of unlawful killing, also sent to millions of people. Scientific treatises are one thing; terrorist "how-to" manuals on the Internet are quite another. Reasonable people can certainly disagree with my (tentatively stated) views on (2). But many of the great free speech heroes (including Hand, Brandeis, and Holmes) expressed views like mine, understanding that there is little value in explicit advocacy of unlawful killing and that the government has a strong interest in preventing murder. Of course there are some hard cases here. The First Amendment protects hyberbolic speech, even when the hyberbole involves murder, and express advocacy of unlawful murder might deserve constitutional protection when it is part of a political argument. But these are hard and in some ways novel issues, and platitudes about "democracy" and "Big Brother" won't much help us.

IRRATIONAL REGULATIONS

To the Editors:

I am uncomfortable seeming to agree in any way with Newt Gingrich, but "Paralysis by Analysis" (David C. Vladeck and Thomas O. McGarity, Summer 1995) has pushed me into it.

These writers tell us on the one hand that "Nearly all of the major rules that have been promulgated [by federal regulatory agencies] during the last twenty years have been the subject of a detailed cost-benefit analysis in a regulatory impact analysis." Yet they say it is impractical and unfair to require

this in the future. They want to leave it up to the regulators to decide when such analysis will be done.

If there is no cost-benefit analysis, how do the regulators decide when to regulate? In some situations, I gather, the key factor is public perception of danger, however right or wrong this may be, however mindlessly fear may have been whipped up by nutcases or people with axes to grind. In the other situations, apparently, the regulators just know—they decide on the basis of personal prejudice or whim without benefit of statistics.

The authors unintentionally provide an excellent example of each situation:

a) They complain that under the proposed new rules the Nuclear Regulatory Commission would have to calculate the “present value” of restrictions on the storage of radioactive waste. They say that the cost of containment systems “would doubtless be high. But the benefits of regulation would be substantial as well, since the health consequences of a breach would be devastating.” Now the fact is that no responsible scientist believes there is any significant practical danger to human beings from radioactive waste. But the authors want the NRC to be free to pretend otherwise because “the public overwhelmingly wants” protection from the imaginary danger.

b) They have decided that health and environmental regulations should require “the best that modern technology has to offer,” regardless of cost. Why? Apparently because they just

should, that’s why.

We will always have irrational regulations. I know, for example, that if the NRC were to decide that multibillion-dollar vaults were unnecessary for radioactive waste, Congress would require them anyway. But let’s leave the irrationality to the people’s elected representatives, not bureaucrats who cannot be called to account by anyone.

*Lee Levitt
New York, New York*

DAVID VLADECK AND
THOMAS MCGARITY
RESPOND:

Lee Levitt accuses us of inconsistency when we object to the regulatory analysis requirements of the Republican regulatory bills, even though we recognize that agencies have been preparing regulatory analyses for twenty years. Our point was not that regulatory analysis has no useful role in the rulemaking process. Our critique was directed to the exceedingly burdensome requirements of the Republican bills (which go far beyond the current requirements) and the fact that those requirements would apply to many more rules than under the current executive orders. If either one of these bills becomes law, the health, safety, and environmental process will come to a grinding halt.

Mr. Levitt wonders how agencies will decide to regulate if they are not obliged to employ the detailed cost-benefit criteria specified in the Republican proposals. Our answer is that the agencies should look to the criteria identified in the substantive statutes that

Congress has enacted over the last twenty years in an orderly fashion after open public debate and careful consideration by committees with subject matter jurisdiction over the relevant issues. Sometimes those statutes require the agency to adopt a technology-based pollution-reduction approach; sometimes they require a media-quality “acceptable risk” approach; and sometimes they require cost-benefit balancing. We believe that it would be bad public policy to impose the same narrow decisionmaking criteria on all regulations designed to protect human health and the environment.

In the final analysis, it appears that Mr. Levitt does not trust Congress and the regulatory agencies not to pander to “irrational” public fears. Perhaps Mr. Levitt knows no responsible scientist who believes that “there is any significant practical danger to human beings from radioactive waste,” and perhaps he would let his grandchildren play with spent fuel rods. In our opinion, the public is not being irrational when it demands that the Nuclear Regulatory Commission regulate

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beyond the point at which discounted future benefits just equal present costs. It is entirely appropriate that Congress insist that we do the best we can to protect future generations from the risks posed by our radioactive detritus.

HOUSING DREAMERS

To the Editors:

I was constrained to write after reading the article by Peter Dreier and John Atlas in your Summer 1995 issue ("Housing Policy's Moment of Truth"). Progressives should be well meaning, but they ought also to be practical politically, economically, and operationally.

In the past 12 years, with construction financing and political support from churches, I have managed against great political resistance to build 3,000 homes in the worst slum areas of New York City: Brownsville, East New York, and the South Bronx. If the local politicians and their agents in the bureaucracy had been amenable, we could easily have built 15,000 homes.

Although I know and like Peter Dreier, based on my experience building housing I cannot take seriously the article. Like many housing intellectuals, Dreier and Atlas are mostly middle-class romantics divorced from the reality of politics and blind to the deep-seated class nature and ethnic divisions of society.

Many Dreier and Atlas ideas, such as ending the mortgage interest deduction, are sound in principle. But Dreier and Atlas never once take into account the games politicians play. They never consider the cost of construction and

interest rates and how to control them. Nor do they note the significance of the downpayment. But within these elements are the practical answers to expanding home ownership.

The Dreier-Atlas schemes are more of the complex non-adoptable and non-administrable ideas which have plagued the housing field. Can we analyze and simplify the problems and the answers? It's worth a try.

The place to begin is with restarting housing construction, and we could do that by returning to the type of incentives such as the VA loan the nation adopted at the end of World War II. This means no-downpayment sales on new home construction to any family with a record of steady employment. Sound construction standards and control of costs, particularly soft costs, are also external.

From there, we should concentrate our housing efforts in the cities. There is cheap land there, but that will require public action since private developers won't go near urban slums. The correct federal contribution is to aid the cities in assembling land, offering funds for relocation and demolition of derelict buildings. It should be used only in the most run-down areas where land is vacant or cheap and where housing can be built at the lowest cost.

A powerful urge exists to rehabilitate run-down housing, as Dreier and Atlas recommend. But it costs more than twice as much per square foot to rehabilitate an old building as to build a new single-family row house. And, there is plenty of evidence that new houses survive in good condition much

longer than rehabs.

What it all boils down to is that if we stop looking for an immaculate conception and concentrate on the things that can be done, we will be able to make headway in housing.

I.D. Robbins

Blairtown, New Jersey

Mr. Robbins, a New York builder and civic activist, is author of the Nehemiah housing plan.

PETER DREIER AND JOHN ATLAS RESPOND:

I.D. Robbins may have an argument, but it isn't with us. His letter confirms the major point of our article: The key to a successful progressive housing policy is expanding the political constituency for housing programs. Indeed, Robbins's own experience proves this maxim.

Robbins does not address our specific proposals. Instead, he accuses us of being "housing intellectuals" and "middle-class romantics" with impractical ideas. In fact, both of us have long experience as housing practitioners involved in development, organizing, and policy. Like Robbins, we have confronted corrupt politicians and entrenched bureaucrats. And, like Robbins, we have worked closely with grassroots movements to win concessions and reforms. Currently, building low-income housing requires enormous entrepreneurship, because no single subsidy source is sufficient to "make the numbers work." We admire Robbins, and many community-based develop-

continued on page 88

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CONSTITUTIONAL AMENDMENTITIS

BY KATHLEEN M. SULLIVAN

Most things Congress might do this year can be undone by the next election. Amendments to the United States Constitution cannot. Yet more constitutional amendment proposals are undergoing serious consideration in Congress at the moment than at any time in recent memory. After failing by only one vote to pass a balanced budget amendment proposal last March, Congress has gone on to consider a rash of pro-

posed amendments that would impose congressional term limits, authorize laws against flag burning, give the president a line-item veto, abolish the electoral college, outlaw abortion, prohibit remedial school busing, and authorize school prayer, to name a few. Taken together, these proposed amendments add up to the biggest call for constitutional revisionism since opponents of abortion, school busing, and restrictions on school prayer tried to launch a constitutional convention back in the 1970s and 1980s. Those efforts failed, and the Constitution has remained untouched for several decades. But the prospect of constitutional amendment is suddenly a live political possibility. If any of the current crop of amendments is enacted, it will be embedded in the Constitution for years to come.

Our Constitution is extraordinarily difficult to amend. Article V of the Constitution provides two routes, but



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both require large supermajorities. First, Congress may propose amendments by a two-thirds vote of both houses. Second, the legislatures of two-thirds of the states may request that Congress call a constitutional convention. Amendments proposed by either route become valid only when ratified by three-fourths of the states. Once an amendment clears these hurdles into the Constitution, it is equally difficult to remove. The amendment that imposed Prohibition is the only one in our history ever to be repealed.

The Constitution thus remains a remarkably pristine document. More than 11,000 amendments have been proposed, but only 33 have received the necessary congressional supermajorities and only 27 have been ratified by the states. Half of these amendments were enacted under extraordinary circumstances. The first ten amendments, the Bill of Rights, were added in one fell swoop by the First Congress and ratified in 1791 as part of a bargain that had induced reluctant states to ratify the Constitution. And the 13th, 14th, and 15th Amendments, which abolished slavery and gave African Americans rights of equal citizenship, were essentially foisted on the southern states by the Reconstruction Congress as a condition of readmission to the union in the wake of the Civil War.

The remaining amendments have tinkered little with the original constitutional design. Four expanded the right to vote in federal elections: The 15th Amendment eliminated racial classifications in voting, the 19th extended the franchise to women, the 24th abolished the poll tax, and the 26th lowered the voting age. Only two tried outright to govern social policy: The 18th Amendment imposed Prohibition and the 21st repealed it. Only two amendments worked significant structural changes in the original constitutional framework: The 17th Amendment provided for popular election of senators and the 22nd imposed a two-term limit on the presidency. And only four amendments were enacted to overrule decisions of the Supreme Court: The 11th Amendment barred suits in federal court by citizens of one state against another state, the 14th recognized the United States citizenship of African Americans, the 16th permitted Congress to impose an income tax, and the 26th lowered the voting age to 18—all in contrast to what the Supreme Court had said the Constitution permitted or required. The remaining handful of amendments were national housekeeping mea-

sures, the most important of which was the 25th Amendment's establishment of procedures for presidential succession.

Nearly a quarter of a century has elapsed since a constitutional amendment emerged successfully from the Congress. A 1978 D.C. statehood proposal emerged but was never ratified by the states. The last amendment to emerge from Congress and be ratified was the 26th Amendment, which lowered the voting age in 1971. The most recent amendment—the 27th, which bars congressional pay raises until after the subsequent election—is actually a relic of the founding era. Proposed by the First Congress in 1789, it was finally ratified and promulgated only in 1992. We have never had a constitutional convention.

A SUDDEN RASH

Against this sparse backdrop, the current proliferation of proposed constitutional amendments is striking. Since the November 1994 elections, three proposed constitutional amendments have already reached the floor of at least one house of Congress. A balanced budget amendment passed in the House but fell one vote short in the Senate last March. An amendment that would have imposed congressional term limits likewise failed on the floor of the House in March. But in June, the House passed, by a vote of 312-120, an amendment authorizing Congress and the states to prohibit flag desecration. The Senate Judiciary Committee voted out that amendment last month and it now heads to the Senate floor. Other proposed constitutional amendments are in the pipeline, including a proposed "religious equality" amendment on which a House Judiciary subcommittee has held hearings. The leading draft of that amendment would require greater inclusion of religious expression in public settings and allow "public or ceremonial accommodation of religious heritage, beliefs, or traditions."

Some of these amendment proposals have been resurrected from death in earlier Congresses. The balanced budget amendment, for example, failed by comfortable margins in Congress after Congress until it went down this year in a squeaker. The flag desecration amendment that might succeed this year was narrowly averted in 1992 when the Democratic leadership managed to get Congress to pass a flag protection statute, which the Supreme Court promptly struck down as violating the First

Amendment. Other amendments in this year's crop are newer. For example, the term limits amendment reflects relatively recent anti-incumbent fever also manifest in the decisions of 23 states since 1990 to enact congressional term limits by popular initiative—which were struck down by the Supreme Court last May as unconstitutional. And the draft religious equality amendment is a newer and more sophisticated version of older proposals that simply would have reinstated school prayer.

This rash of amendment proposals is cause for alarm, even apart from any of their individual merits. For there are strong structural reasons for amending the Constitution only reluctantly and as a last resort. This strong presumption against constitutional amendment has been bedrock in our constitutional history, and there is no good reason for overturning it now.

Proponents of the current wave of amendments suggest that it simply represents the appropriate product of a mobilized citizenry exercising popular sovereignty. We the People created the Constitution and, they imply, We the People are free to rewrite it as We please. Amendment advocates could, if they wished, cite Thomas Jefferson in their cause. Jefferson wrote in an 1816 letter, "Some men look at constitutions with sanctimonious reverence, and deem them like the ark of the covenant, too sacred to be touched. They ascribe to the men of the preceding age a wisdom more than human, and suppose what they did to be beyond amendment." But, he urged, one should not "believe that one generation is not as capable as another of taking care of itself, and of ordering its own affairs." As Jefferson had put it years earlier in a letter to James Madison, "I hold that a little rebellion now and then is a good thing."

WHY WE SHOULD QUELL THE FEVER

Constitutional idolatry, of course, is not an attractive organizing principle. But Jefferson's position lost out in our constitutional history for good reasons that do not depend on fetishizing the Constitution or treating it as mystically sacred. A brief recap of these reasons will help show why the Congress's current amendment fever is misguided.

1. Stability. James Madison, one of the principal architects of Article V, disagreed with Jefferson. In Madison's view, "a little rebellion now and then" is to be avoided. To be sure, Madison acknowledged in *Federalist* No. 43 that "useful alterations will be suggested by experience," and that amending the Constitution must not be made so difficult as to "perpetuate its discovered faults." But Madison cautioned too "against that extreme facility" of constitutional amendment "which would render the Constitution too mutable." Implicit in this caution is the view that stability is a key virtue of a Constitution, and that excessive "mutability"

would thus undercut the whole point of having a Constitution in the first place. As Chief Justice John Marshall put the point similarly in *McCulloch v. Maryland*, the Constitution is "intended to endure for ages to come." Keeping amendment relatively infrequent thus preserves public confidence in the stability of the basic constitutional structure.

While the Framers had to take the argument from stability on faith, the argument looks stronger two centuries later. The relative success of the American constitutional regime, one

bloody civil war excepted, supports arguments along the lines of "if it ain't broke don't fix it." Our spare Constitution has withstood the test of time. Anyone with a Burkean trust in the collective wisdom embodied in custom and tradition ought to be wary of a sudden shift to rapid constitutional revision.

2. The Rule of Law. The very idea of a constitution turns on the separation of the legal and the political realms. The Constitution sets up the framework of government. It also sets forth a few fundamental political ideals (equality, representation, individual liberties) that place limits on how far any short-term majority may go. This is our higher law. All the rest is left to politics. Those who lose in the short run of ordinary politics obey the winners out of respect for the long-run rules and boundaries set forth in the Constitution. Without such respect for the constitutional framework, the peaceful operation of ordinary politics would degenerate into fractious war.

Frequent constitutional amendment can be expected to undermine this respect by breaking down the boundary between law and politics. The

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more you amend the Constitution, the more it seems like ordinary legislation. And the more the Constitution is cluttered up with specific regulatory directives, the less it looks like a fundamental charter of government. Picture the Ten Commandments with a few parking regulations thrown in.

This is why opponents of new amendments often argue that they would tend to trivialize or politicize the Constitution. They trivialize it in the sense that they clutter it up and diminish its fundamentality. Consider the experience of the state constitutions. Most state constitutions are amendable by simple majority, including by popular initiative and referendum. While the federal Constitution has been amended only 27 times in over 200 years, the fifty state constitutions have had a total of nearly 6,000 amendments added to them. They have thus taken on what Marshall called in *McCulloch* “the prolixity of a legal code”—a vice he praised the federal Constitution for avoiding. Many of these state constitutional amendments are products of pure interest-group politics. State constitutions thus are difficult to distinguish from general state legislation, and they water down the notion of fundamental rights in the process: The California constitution, for example, protects not only the right to speak but also the right to fish.

Amendments politicize a constitution to the extent that they embed in it a controversial substantive choice. Here the experience of Prohibition is instructive: The only modern amendment to enact a social policy into the Constitution, it is also the only modern amendment to have been repealed. Amendments that embody a specific and controversial social or economic policy allow one generation to tie the hands of another, entrenching approaches that ought to be revisable in the crucible of ordinary politics. The balanced budget amendment, for example, would enshrine, for the first time in our history, a particular and highly contestable macroeconomic policy—no deficit spending—in the Constitution. As Justice Oliver Wendell Holmes cautioned early in the century, however, the Constitution ought not “embody a particular economic theory,” whether that of Milton Friedman or John Maynard Keynes.

3. Coherence. The Constitution was drafted as a whole at Philadelphia. The Framers had to think about how the whole thing fit together. Amendments, in contrast, are passed piecemeal. In

passing a single amendment in response to some particular felt necessity of the time, the nation may easily overlook or ignore some inconsistency or tension between the amendment and the basic structure. And such inconsistencies may have the unintended consequence of undermining the unity and coherence of the document as a whole, destabilizing structures or rights we have taken for granted.

Take the balanced budget amendment, for example. That amendment, if passed, would alter fundamentally the original constitutional framework for taxing, borrowing, and spending by imposing supermajority provisions that in effect would shift power from congressional majorities to minorities.

How would this work? Article I of the Constitution gives Congress the power to tax and spend for the common defense and general welfare, and to borrow money on the credit of the United States—all by simple majorities. So basic is the majoritarian premise of Article I that it is barely mentioned, except for the statement in Article I that “a majority of each [house] shall constitute a Quorum to do business.” The Constitution contains only five exceptions to the majority-rule principle, and all fall outside the realm of ordinary legislation: It takes two-thirds of the Senate to convict officers tried on impeachment, two-thirds of either house to expel one of its own members, two-thirds of each house to override a presidential veto, two-thirds of the Senate to approve treaties, and two-thirds of both houses to propose a constitutional amendment—all extraordinary situations implicating either individual rights or interbranch or intergenerational checks and balances.

The Framers considered but rejected proposals for requiring supermajorities to pass ordinary legislation. As Madison wrote in *Federalist* No. 58, if “more than a majority” were required for a legislative decision, then “in all cases where justice or the general good might require new laws to be passed, or active measures to be pursued, the fundamental principle of free government would be reversed. It would be no longer the majority that would rule: the power would be transferred to the minority.”

The balanced budget amendment that came within one vote of passing last March (and will likely come up again) ignored Madison’s warning by imposing, for the first time, a set of supermajority rules upon ordi-

nary policymaking within the legislative branch. Specifically, it would require that deficit spending and increases in the statutory debt limit be approved by three-fifths of the whole number of each house. And it would require that tax increases be authorized by a majority of the whole number of each house rather than, as is usual, by the majority of members present. As Madison pointed out in *Federalist* No. 58, the danger of such supermajority requirements in the context of ordinary legislation is that a minority of each house can hold the legislative agenda hostage, blocking majority choices until the minority factions obtain the policy concessions they want. As Madison put it, the minority thus may "extort unreasonable indulgences" from the majority.

The balanced budget amendment is thus incompatible with the original legislative regime set forth in the Constitution. It would not merely call for reducing the deficit; it would also impose supermajority requirements conferring minority veto power that could alter significantly the distribution of any cuts. Ironically, it would help preserve pork in a future Congress where that is the price for the additional votes to achieve a supermajority. True, Congress has some supermajority requirements in its own rules. The Senate requires 60 votes to end a filibuster, and the House recently adopted a three-fifths voting rule for tax increases that has been challenged in court. But these rules are no precedent for the balanced budget amendment. Article I permits each house to "determine the Rules of its Proceedings," and such internal supermajority rules may be adopted or repealed by mere majority vote. Supermajority requirements in a constitutional amendment, in contrast, would require another constitutional amendment to undo. Thus the balanced budget amendment would introduce a unique and unprecedented alteration of the democratic process. And that alteration might have spillover effects on the way that other legislative business is conducted. Once acquired, the habit of exercising minority vetoes might be hard to break.

As a second illustration of the problem of amendments inconsistent with the Constitution, consider the flag desecration amendment that will go to the states for ratification if the Senate approves it this fall. The First Amendment forbids Congress from abridging the

freedom of speech. The flag amendment would permit Congress and the states to prohibit "desecration" of the flag. Now it's hard to see the flag as anything but a symbol. And it's hard to see its "desecration" as anything but a form of symbolic expression too. If "flag desecration" is not to be construed absurdly as applying to people who get mustard on their flag napkins on the Fourth of July, it will apply only to symbolic protestors who desecrate flags in order to express what others deem to be unpatriotic sentiments. And if that's the case, flag desecration laws passed under the authority of the amendment would quite literally abridge the freedom of (symbolic) speech. For just these reasons, the Supreme Court struck down as unconstitutional both a Texas flag desecration law and Congress's Flag Protection Act of 1992.

If the flag desecration amendment were to pass, it would not only overrule these two decisions of the Court, but would also for the first time ever amend the original Bill of Rights. In effect it would hold that "Congress may not abridge the freedom of speech, except for flag burning." Once embedded in the Constitution, the amendment might lead to other arguments by analogy: If flag burning is not protected speech, why protect wearing a jacket that says "Fuck the Draft"? Or a rap recording with a refrain "Kill the Pigs"? Chief Justice Rehnquist, in dissent from the Court's flag burning decisions, called flag burning the "inarticulate" equivalent of a "grunt or roar." But much of the offensive speech the Court has long protected is hardly more articulate or elegant. It is possible that courts would treat flag desecration as *sui generis*, confining the amendment to its terms. But it is also possible that the amendment would have unintended spillover effects on other speech contexts, altering the habits of mind that had led courts presumptively to strike down all abridgements of speech.

The proposed religious equality amendment would likewise amend the Bill of Rights if enacted. This amendment would bar government from prohibiting "prayer or other religious expression in circumstances in which expression of a nonreligious character would be permitted," treating this as discrimination against religion. To be sure, the original First Amendment protects the free exercise of religion. But it also bars government from establishing reli-

gion. The Establishment Clause is unique; there is no issue other than religion on which government is barred from taking an official position. Thus the original Constitution required religion to be treated differently from activities “of a nonreligious character.” The amendment would rewrite the First Amendment by requiring them to be treated the same. Proponents of the amendment suggest it would simply allow student-initiated, not government-mandated prayer. But as with the flag desecration amendment, courts would be free to extend the force of this amendment further than its proponents publicly contemplate.

Perhaps a properly enacted constitutional amendment cannot literally be unconstitutional. This would appear to be a contradiction in terms—although, to be sure, a few scholars have argued that some amendments would be so beyond the pale (imagine an amendment requiring racial apartheid) that the Court would have the power to strike them down as inconsistent with other constitutional provisions. But it is clear that amendments can cause tension with the original document, and may exert a gravitational force extending beyond their specific subject matter. This is at least an additional argument for keeping amendments to an essential minimum.

4. Generality. The Constitution is drafted in general terms. Both powers and rights are set forth in broad and open-ended language. To quote Marshall in *McCulloch* again, the Constitution by nature “requires, that only its great outlines should be marked,” and its “minor ingredients” determined later through judicial interpretation. Hence the dilemma of drafting a constitutional amendment. It is against the nature of the Constitution to draft too specifically. As Marshall wrote in favor of his expansive reading of enumerated congressional powers, “It would have been an unwise attempt to provide, by immutable rules, for exigencies which, if foreseen at all, must have been seen dimly, and which can be best provided for as they occur.” Trying to write constitutional amendments that anticipate all later interpretation problems is surely folly. Picture the senators trying to find some exquisite phrase that will ensure that mustard-splattered flag napkins fall outside the reach of the flag desecration amendment.

On the other hand, drafting amendments in general terms is fraught with dangers of its own. A generally worded amendment may contain hidden threats to the overall constitutional structure just as grave as the overt conflicts discussed above, if not more so because they are less likely to be openly debated.

Again, recall the failed balanced budget amendment. The amendment provided in general terms that “[t]otal outlays for a fiscal year shall not exceed total receipts” without supermajority authorization. The amendment appeared by its terms to be self-enforcing in the Congress: “The Congress shall enforce and implement this article by appropriate legislation, which may rely on estimates of outlays and receipts.” Invisible from the face of the amendment was its serious potential to involve the other two branches in fiscal controversies that Congress could not itself resolve.

Specifically, if Congress failed to balance a budget, the president could have deemed himself authorized under the amendment to impound funds that Congress had authorized and appropriated to specific programs, or to freeze federal wages and salaries—even though the amendment did not specifically confer such authority. This would have resurrected a power struggle between the president and Congress that was put to rest by statute during the Nixon administration. And even the potential for impoundment would have given the president greater leverage for arm-twisting in the Congress.

And although the proposed amendment is similarly silent on the question of judicial review, it has the clear potential to unleash a torrent of enforcement litigation in the courts. Taxpayers might claim that their right to a balanced budget is violated by a projection showing outlays to exceed receipts. Employees whose wages were frozen by the president might sue for back pay. Criminal defendants might seek to excuse themselves on the ground that outlays on law enforcement would exceed receipts, rendering the law under which they were charged unconstitutional. Any of these lawsuits would entangle the judicial branch in questions of economic measurement and prediction for which it is surely ill equipped.

These amendments would be the first in history to qualify the Bill of Rights.

These dangers prompted the Senate, at the eleventh hour, to adopt an amendment to the balanced budget amendment introduced by Senator Sam Nunn that would eliminate judicial review of controversies arising under the act. But it declined to adopt an amendment to the balanced budget amendment proposed by Senator Ted Kennedy that would have prohibited presidential impoundment. Thus even in its final form last March, the amendment proposed a redistribution of powers among the branches that would undermine the original assignment of the taxing, spending, and borrowing powers to the Congress.

5. The Role of the Court. How have we managed to survive more than 200 years of social and technological change with only 27 constitutional amendments? The answer is that we have granted broad interpretive latitude to the Supreme Court. Narrow construction would necessitate more frequent resort to formal constitutional amendments. Broad construction eliminates the need. Thus the Court has determined that eighteenth-century restrictions on searches of our "papers and effects" apply to our twentieth-century telephone calls, and that the command of equal protection forbids racially segregated schools even though such segregation was known to the 14th Amendment's framers. Neither of these decisions—*Katz v. United States* and *Brown v. Board of Education*—required a constitutional amendment.

Nor did the Court's "switch in time that saved nine" during the New Deal. In the early twentieth century, the Court struck down much federal economic legislation as exceeding Congress's power and invading the province of the states. Under President Roosevelt's threat to expand and pack the Court, the Court desisted, and started to defer to all legislation bearing some plausible relationship to interstate commerce. Some scholars have called the Court's decision to defer to national economic legislation revolutionary enough to count as an informal constitutional amendment, but most view it as within the broad contours of reasonable interpretive practice.

Increasing the frequency of constitutional amendment would undermine the respect and legitimacy the Court now enjoys in this interpretive role. This danger is especially acute in the case of proposed constitutional amendments that would literally overturn Supreme Court deci-

sions, such as amendments that would declare a fetus a person with a right to life, permit punishment of flag burning, or authorize school prayer. Such amendments suggest that if you don't like a Court decision, you mobilize to overturn it.

Justice Jackson once quipped that the Court's word is not final because infallible but infallible because it is final. That finality, though, has many salutary social benefits. For example, it allows us to treat abortion-clinic bombers as terrorists rather than protesters. If every controversial Supreme Court decision resulted in plebiscitary overruling in the form of a constitutional amendment, surely the finality of its word would be undermined, and with it the social benefits of peaceful conflict resolution. The fact that we have amended the Constitution only four times in order to overrule the Supreme Court is worth remembering.

The Court itself has helped keep that number low by occasionally reinterpreting the Constitution in such a way as to obviate the need for a proposed amendment. For example, the equal rights amendment (ERA) passed by Congress and submitted to the states in 1972 would have provided that "equality of rights under the law shall not be denied or abridged on account of sex." In 1971, the Supreme Court had struck down a law preferring men over women as estate administrators as irrational. But by 1973, the Court imposed a stricter standard. In striking down a law giving wives of male military officers more automatic benefits than husbands of female officers, the Court suggested that sex discrimination is unconstitutional even if it has some rational basis. The pending ERA no doubt had an influence on the Court. But the more the Court struck down sex-discriminatory laws in the mid-1970s, the less need there was to ratify the amendment. Thirty-eight states never did ratify the ERA after all.

Something similar may be happening now in the shadow of the religious equality amendment. Last term, the Supreme Court for the first time upheld public funding of religious evangelism against Establishment Clause challenge. The University of Virginia had refused to disburse funds raised through a mandatory student activities fee to an avowedly Christian student magazine, on the ground that it was primarily religious. The university granted such funds to nonreligious student publications. The Court held by a vote of five to four that this selective exclusion violated the free

speech clause and rejected the university's argument that including the Christian magazine would violate the Establishment Clause. Thus the Court did on its own what the religious equality amendment would require: entitle religious speech to equal access to public funds, despite decades of cases holding that religious proselytism may not be supported by any tax, large or small.

The Court itself, of course, can squander public respect and legitimacy by changing its interpretations of the Constitution so abruptly that they appear more politics than law. Justices O'Connor, Kennedy, and Souter rested their dramatic decision to reaffirm *Roe v. Wade* in the 1992 *Casey* case expressly on the need to avoid such appearances. Several decisions last term came closer to the kind of sea change *Casey* said the Court should avoid. First, the Court struck down an act of Congress—the Gun-Free School Zones Act—as exceeding Congress's power under the Commerce Clause for the first time since 1936. Second, the Court struck down state limits on congressional term limits by a vote of five to four, but only Justice Kennedy's swing vote with the majority prevented the conservative wing of the Court, led by Justice Thomas in dissent, from resuscitating a view of states' rights that most thought had been put to rest decisively by the South's defeat in the Civil War. Third, the Court overruled its own recent decision giving the federal government broader latitude than the states to enact affirmative action.

But the fact that the Court itself sometimes approaches the outer bounds of reasonable interpretive practices in no way strengthens the case for readier constitutional amendment. If anything, it cuts the other way: It illustrates the very pitfalls of constitutional mutability that amendment fever would exacerbate.

FIRST DO NO HARM

For all of these reasons, we should keep in force a strong presumption against amending the Constitution. That does not mean it should never be amended. The Constitution surely should be amended on occasion—for example, when changes consistent with its broad purposes are unlikely to

be implemented by ordinary legislative means. The four amendments expanding the franchise are good examples—why should existing electors voluntarily dilute their own votes?

To their credit, advocates of some recently proposed amendments have argued that they are necessary to correct structural biases in ordinary legislation. For example, proponents of the balanced budget amendment have argued that budget self-discipline by Congress is unavailing, for it is too easy for current legislators to impose debt on future generations who are not now around to vote. And term limits amendment advocates have argued that the self-interest of congressmen in their own perpetual re-election makes it impossible to implement term limits by statutory means.

These are the right kind of arguments, but they are unpersuasive. If any group can be said to have virtual representation in the Congress, it is surely our own children and grandchildren. Recent polls showing the majority of the American public to be born-again deficit hawks suggest that the interests of future generations can be protected by ordinary political means, without the need to enact a constitutional amendment. And there are good reasons to reject term limits besides congressmen's individual

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self-interest. For example, Congress may be more captured with than without them, for legislators who know their tenure is limited may curry more rather than less favor with lobbyists in order to secure private employment later on, and inexperienced legislators may depend more rather than less on staff and special interests for guidance than experienced legislators need to do. Moreover, the political branches have not exhausted campaign finance reform or other legislative changes that would decrease entrenchment without resort to term limits. Thus the structural arguments against term limits are at least as powerful as those in their favor.

Many amendment-happy legislators, however, do not even bother to make such structural arguments for the necessity of their proposals. Perhaps they are merely grandstanding, while expecting to lose anyway in the supermajoritarian gauntlet Article V requires them to run. But to the extent they are serious, they should remember that it is a Constitution they are amending, and that they should not tinker with it lightly.□

POLITICAL SNIPERS

BY ROBERT DREYFUSS

HOW THE NRA EXPLOITED LOOPHOLES AND WAGED A STEALTH CAMPAIGN AGAINST THE DEMOCRATS

Anybody doubting the political clout of the National Rifle Association should speak to the members of Congress—and the now former members—who supported President Clinton's ban on assault weapons as part of the 1994 crime bill. In the campaign cycle surrounding that close vote, the NRA spent some \$70 million on political activities, including nearly \$7 million through its political action committee, much of it targeting Democrats who had supported the measure. Although polls showed the majority of Americans approved of the weapons ban, the NRA campaign was by most accounts a success. Democrats say the NRA cost them no fewer than 20 seats, and President Clinton told one reporter that "the NRA is the reason the Republicans control the House." Speaker Newt Gingrich, meanwhile, has promised the group's service will be rewarded: "As long as I am Speaker of this House," he wrote in a letter to an NRA official, "no gun control legislation is going to move."

This is the story of how the NRA managed to accumulate so much influence over the democratic process. It is an unnerving ride through the loopholes in federal election law, which allow a powerful special interest to bring almost overwhelming force to bear in a single congressional district. It is the story of how the firearms lobby bludgeoned its opponents with slashing, near-anonymous attack commercials and buried them with bulk mailings on hot-button themes unrelated to guns. It is the story of how conservative financiers and the Republican Party used the NRA to do some of their dirty work, and the price the NRA is now extracting for those services.

This story leads to the question of how the NRA gets its money in the first place, and here, too, there is more than first meets the eye. Despite its image as a membership organization

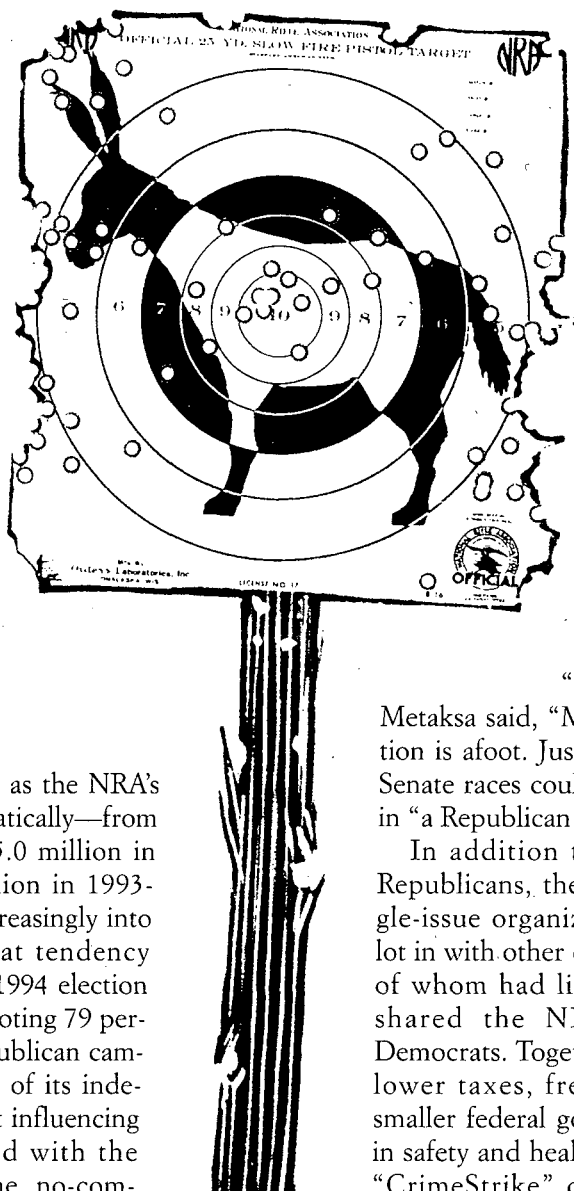
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subsisting entirely on \$35 membership dues, the NRA actually collects much of its money in large donations from upper-middle-class and even wealthy supporters. Big contributors, bequests, fundraising dinners, and backing from the gun industry have combined to provide the NRA with a substantial block of funds. The NRA uses that money for direct-mail solicitations, in effect converting large contributions into many smaller ones, which it then channels into political campaigns.

THE GOP CAUSE

Over the past several years, as the NRA's PAC income has grown dramatically—from \$3.7 million in 1989-90 to \$5.0 million in 1991-92 and finally \$6.8 million in 1993-94—its spending has tilted increasingly into the Republican column. That tendency reached peak intensity in the 1994 election cycle, with the NRA's PAC devoting 79 percent of its direct grants to Republican campaigns, along with 87 percent of its independent expenditures aimed at influencing voters. This trend coincided with the NRA's shift toward a hard-line, no-compromise stance on gun issues—the result of an insurgency led by Neal Knox, a longtime NRA radical, and Tanya Metaksa, a former Reagan-Bush aide who is now executive director of the NRA's Institute for Legislative Action (ILA) and chairman of the PAC, which is called the Political Victory Fund.

According to Metaksa, this pattern of giving represents kindred interests, not behind-the-scenes coordinating: "We're not the National Republican Association," she says. But other sources, including former NRA officials and Republican and Democratic consultants, say that during the months leading up to the Republican sweep in November 1994, the NRA closely coordinated its election strategy with Republican Party officials. According to Tom King, a Democratic political strategist who



calls the NRA a "wholly owned subsidiary of the Republican Party," the Republicans provided the NRA with polling data and lists of vulnerable Democrats in order to coordinate campaigns. Indeed, in October, on the eve of the elections, Metaksa solicited contributions explicitly to help Republicans take over.

In a special mailing to NRA members entitled "It's Payback Time!"

Metaksa said, "Make no mistake: a revolution is afoot. Just a handful of wins in key Senate races could turn the tide," resulting in "a Republican Senate."

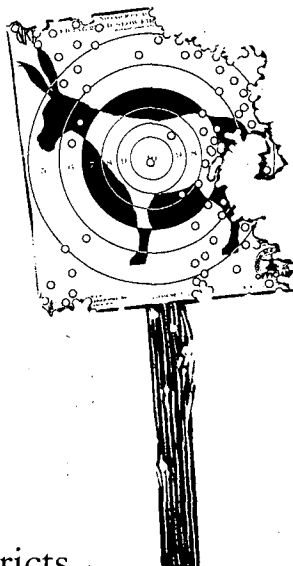
In addition to strategizing with the Republicans, the NRA—ostensibly a single-issue organization—was throwing its lot in with other conservative groups, many of whom had little interest in guns but shared the NRA's desire to unseat Democrats. Together, these groups pursued lower taxes, free market economics, a smaller federal government, and a cutback in safety and health regulations. The NRA's "CrimeStrike" conference last year was cosponsored by the American Conservative

Union, Americans for Tax Reform, and the Cato Institute, and today the NRA remains an active member of the American Legislative Exchange Council, a public-private venture that boasts "3,000 pro-free enterprise legislators" from state capitals as members, along with most of the Fortune 500. Grover Norquist, an iconoclastic Republican ideologue and Newt Gingrich strategist who heads Americans for Tax Reform, says that the NRA played an indispensable role as a linchpin of the Republican Party alliance, which he calls "the leave-us-alone coalition." As the Republicans eyed their chances in November, says Norquist, they saw the NRA as a useful tool for undermining about 50 to 70 moderate Democrats in conservative districts.

That the NRA would work closely with the

Republican Party and its supporters is no great surprise. But the fervor ran so deep that the NRA was even willing to mislead its own members on how fervently senators and congressmen supported the NRA position on guns. Going all out for a Republican sweep, the NRA fudged its traditional system of rating candidates for office. According to Joseph P.

Republicans saw the NRA as a useful tool for undermining 50 to 70 moderate Democrats in conservative districts.



Sudbay of Handgun Control, who made a detailed study of the election for the gun-control group, the NRA gave borderline Republicans the benefit of the doubt, liberally handing out "A" ratings, while being far more hard-nosed about high ratings for Democrats. A former senior NRA official confirmed the pattern, noting "fairly glaring discrepancies" in the 1994 ratings and adding, "You can play a lot of games with that rating system."

Once the NRA made its decision to back the Republicans, the NRA's PAC followed suit, with devastating results for Democratic office seekers:

- In 52 House races where there was an open seat—that is, where no incumbent was running—the NRA either supported the Republican or remained neutral. In all, according to Federal Election Commission (FEC) data and the Coalition to Stop Gun Violence, the NRA spent \$227,000 to help Republicans win 37 of those seats.

- In the nine races for open Senate seats, the NRA backed the Republican every time, spending more than \$500,000. Republicans won them all.

- Where Democratic incumbents were running, the NRA abandoned many of its traditional friends on the pretext that they voted in favor of the Clinton administration's crime bill, which con-

tained the provision that banned certain types of semiautomatic assault weapons. Such key members as Speaker of the House Tom Foley, Representative John Dingell of Michigan, and Representative Lee Hamilton of Indiana either lost all NRA support or found themselves the target of intense NRA opposition. Foley, who had long worked with the NRA to oppose gun-control legislation, was narrowly beaten by George Nethercutt, who received more than \$80,000 in NRA support in the form of independent expenditures.

- Representative Jack Brooks of Texas, another longtime NRA supporter, was chairman of the House Judiciary Committee. In mid-1994, on the eve of the House-Senate conference to assemble the final version of the crime bill, Brooks thought he had worked out a compromise with the NRA over the controversial ban on assault weapons. Rather than ban the weapons, Brooks proposed limiting the number of rounds in magazines designed for the guns, thereby restricting their firepower. That deal, worked out by NRA lobbyist James Jay Baker, a relative moderate in NRA circles, was torpedoed by Metaksa and Knox.

According to an insider, Metaksa at that point wanted to use the assault weapon ban to mobilize the NRA's hard-core activist base and deliberately wrecked chances of a compromise in order to go into the November election guns ablaze. Brooks, embittered, voted for the final crime bill and was abandoned by the NRA. His Republican successor is Steve Stockman, elected with strong support from pro-gun groups.

- The NRA's PAC concentrated more than \$720,000 in independent expenditures in support of Republican Senate candidates in just six states: Tennessee, Oklahoma, Pennsylvania, Nevada, Nebraska, and North Dakota. The first three states elected four Republican senators, defeating two incumbent Senate Democrats, Harris Wofford and Jim Sasser. In Nevada, Nebraska, and North Dakota, the NRA's big-spending ways failed to bring down Democratic incumbents. In Nevada, the NRA gave \$130,000 to the Republican challenger, even though the Democrat, incumbent Senator Richard Bryan, had voted consistently with the NRA during the 103rd Congress.

- The NRA vastly stepped up donations of so-called "soft money" to the Republican Party in the 1993-94 election cycle, largely through two checks

totalling \$275,000 to the Republican National Committee in October 1993. That infusion of cash was the NRA's contribution to successful Republican efforts to defeat New Jersey Governor Jim Florio and Virginia gubernatorial candidate Mary Sue Terry, both Democrats. The NRA also spent hundreds of thousands of dollars in independent expenditures to help beat Florio and Terry. In New Jersey, their last-minute \$200,000 spending spree to fund a professional phone bank ran afoul of the state's campaign finance laws, and the NRA was fined \$7,000. "They made several hundred thousand phone calls, from paid phone banks, without the opposition campaign knowing it was occurring," says Representative Robert Torricelli, who complained about the NRA's illegal spending to New Jersey authorities. "The NRA and the Republican Party . . . operate according to a single strategy."

STEALTH BOMBERS

Perhaps nowhere in the country was the NRA-Republican alliance more evident than in Oklahoma in 1994, where the NRA caught former Representative Dave McCurdy by surprise in a closely fought race against Republican Jim Inhofe for an open Senate seat. "It was a much bigger issue than I ever would have imagined," McCurdy says, marvelling at the campaign that the NRA waged against him. First elected to Congress in 1980 in Oklahoma's fourth district, which stretches south and west from Oklahoma City to the Texas border, McCurdy had long had NRA support. But his vote in 1993 for the Brady Bill, which called for a waiting period for buying handguns, and for the ban on assault weapons in the 1994 crime bill meant that he could no longer count on NRA backing.

"I knew I was drawing the line and could not cross it," says McCurdy, who did not even bother to ask the NRA for help in 1994. Yet the ferocity of the NRA's opposition took him by surprise. The NRA's PAC spent more than \$150,000 in independent expenditures to run television and newspaper advertisements and put up billboards denouncing McCurdy in addition to the \$9,900 it gave directly to Inhofe, just under the maximum \$10,000 allowable under FEC regulations. The NRA also spent thousands of dollars more urging its Oklahoma members to turn out for Inhofe. It was an all-out attack that turned the tide against McCurdy.

But what was crucial about the NRA's attack on McCurdy was that rarely, if ever, in their onslaught

did the NRA mention the issue of guns. Instead, in keeping with the Republican candidate's strategy, the NRA bankrolled a campaign to paint McCurdy as a "Clinton clone." An NRA-sponsored television ad began with a closeup of an AIDS ribbon on a lapel, then pulled back to show that the person sporting the ribbon was none other than Dave McCurdy, who was standing behind a podium delivering a speech supporting Bill Clinton at the 1992 Democratic National Convention. The NRA also paid for billboards throughout the state reading: "No Clinton Clones. Inhofe for U.S. Senate."

McCurdy says his aides detected a clear pattern that showed that the NRA was sharing the "buys" on Oklahoma television stations with the Republican Party and the Inhofe campaign—which would have been illegal under FEC rules that require that so-called "independent" expenditures not be coordinated with any election committees. McCurdy says that his staff tried to raise the issue with the FEC, but in the heat of the election campaign, just days before the vote, it was useless. (A spokesman for Senator Inhofe said that there was no coordination between the Inhofe campaign and the NRA on television advertising.)

"I wish they had come directly on gun issues," says McCurdy. "I think I could have won on the assault weapon ban with reasonable people." But, thanks to the work of pollster Frank Luntz, who also did the polling that helped Gingrich, Representative Dick Armey, and others assemble the Contract with America, the NRA knew that few Americans got excited about reversing the ban on assault weapons. (In fact, the NRA, for all of its vaunted, no-compromise reputation, meekly submitted when Gingrich did not include a promise to repeal the assault weapons ban in the Contract.) So, rather than give McCurdy and other Democrats around the country a chance to fight back, they simply ran ads thematically coordinated with Republican campaigns.

The NRA had learned that lesson in another Oklahoma race in 1992, against Representative Mike Synar, a liberal Democrat who had been a thorn in the NRA's side for years and had repeatedly crossed oil and gas, cattle, mining, and tobacco interests. In 1992 the NRA launched a high-profile attack on Synar, spending a reported \$261,000 to defeat him. In that race, the NRA also ran ads against Synar on issues

that had nothing to do with guns; one print ad read, "When Mike Synar voted for flag burning, so did you." According to Tom King, the Democratic consultant who worked on the Synar campaign, the NRA's PAC routinely coordinated its work with other business PACs who wanted to oust Synar. "They'd meet regularly, the different PACs—all the business PACs and the NRA got together and tried to beat Synar," he says. "And they met quite openly. They'd discuss strategy, what they were gonna do, how much money was needed."

But the NRA opened itself up to counterattack by making the gun issue a central part of its effort, and Synar countered by blasting the NRA as an extremist "special interest" group from Washington, out of touch with the views of most Oklahoma gun owners. Jim Brady, the namesake of the Brady Bill and a principal in Handgun Control, Inc., campaigned with Synar against the NRA. In a primary, a runoff, and the general election, Synar won each time.

The NRA vowed to continue its attack against Synar, and in 1994 it succeeded. But this time, the NRA ran a stealth campaign. Rather than adopt a high profile, the NRA quietly funded Synar's opponent in the Democratic primary, an NRA member named Virgil Cooper. "There were no full-page ads, no TV ads by the NRA," says Amy Weiss Tobe, a Synar aide. But anonymous flyers started showing up in union halls and shop floors around the district, carrying a reproduction of a nonexistent bill allegedly tied to Synar that would have banned hunting rifles. The NRA sponsored phone banks and mailings to its members in the district, but it was difficult for Synar to fight back. "It was different," says Tobe. "They were smart. It was like boxing ghosts."

"The NRA went in and went underground. And they've been more effective when they go underground than when they blatantly go in, because then they become a special interest and it can be used against them," says Tom King. In 1994, "there was nobody to fight against. It was an invisible target."

Synar lost the September 1994 primary, a stunning upset and a harbinger of the disaster that would befall the Democrats in November. It was a major victory for the coalition of Republicans;

The NRA ran a stealth campaign, quietly funding Synar's opponent in the Democratic primary and never mentioning guns.

business groups, and the NRA, and it was trumpeted as such by Metaksa, who called Synar's defeat the "NRA's first scalp." But, though Metaksa told a reporter at the time that the NRA spent as much against Synar in 1994 as it did in 1992, none of that spending shows up on FEC records of campaign expenses—meaning that the NRA truly ran a stealthy, off-the-books effort that skirted FEC regulations. (Ironically, after helping Cooper to beat Synar, the NRA stayed out of Cooper's race against Republican Tom Coburn, who won. The NRA gave both Cooper and Coburn "A" ratings.)

Across the country in 1993-94, the NRA ran numerous ads that attacked Democrats on issues from taxes, the budget, health care, and education to the alliance with President Clinton. "They will write to my constituents about a business issue, a tax issue, or a spending issue, but guns are never mentioned. And often the NRA will never even identify itself," says Representative Torricelli, still burning about the 1993 Florio race. "Members of the National Rifle Association may be giving money to the organization because of a sporting purpose, but find the NRA is spending their money to attack a Democratic member on a Medicare or education issue."

"Unlike purists, they want to be effective," says Victor Kamber, a Washington public relations executive. "What they say is, 'We are using whatever the polling data show makes them vulnerable in their district. We're saying that Jim Florio is a bad guy because he raises taxes. The fact is that the voters cared about taxes, so we're going to the voters with a message about how bad this guy is.'" Thus the NRA integrated itself into the business-Republican coalition, consciously reinforcing the antitax, antigovernment message of the free marketeers that dominate the Republican right.

LAWYERS, GUNS, AND MONEY

What made the NRA such a useful tool to conservatives, of course, was its ability to raise and spend vast amounts of money. In 1994 the NRA was the nation's single biggest spender on elections. But how did it raise all the cash? Although

the NRA's closemouthed tradition makes answering that question somewhat difficult, interviews with many current and former NRA officials, along with experts on the pro-gun movement, provide a fairly detailed picture—a picture that looks somewhat different from the grass roots, middle-American image NRA officials have nurtured for years.

It is true that like most direct-mail operations, the bulk of the NRA's daily operating revenue comes from small contributions, averaging about \$18 per donor, and from annual dues of \$35. Not surprisingly, most of this money comes from the ranks of American gun owners, who at last count were some 70 million strong. But that is not the entire story. Like the Republican and Democratic parties, which tout the fact that their average giver sends them between \$10 and \$25, the small average can obscure the presence of large backers. The NRA maintains an additional base of big contributors, who are clearly a few income levels above the typical working-class NRA member. This list includes the nation's 20,000 gun dealers and manufacturers and a small group of wealthy conservative financiers.

According to Brad O'Leary, the NRA sustains a block of 35,000 people who contribute at least \$250 per year, and another 15,000 who give the NRA \$125 per year. Those 50,000 people annually kick in more than \$10 million. In addition, Metaksa said in an interview that she sees a fairly steady stream of checks up to \$10,000 from NRA donors and has heard that the NRA treasury sometimes receives gifts "in the five figures."

The NRA conducts a broad fundraising campaign for several of its organizations, from the NRA itself to the ILA, the NRA Foundation, and the Political Victory Fund PAC. In a column in the *American Rifleman*, the NRA's monthly, NRA President Thomas L. Washington cited a single dinner held in Corpus Christi, Texas, where 907 people donated more than \$175,000 to the NRA. And the NRA recently published a list of 214 "Friends of the NRA" fundraising events scheduled between April and October 1995.

The *American Rifleman* routinely lists the names of groups and individuals around the country who give the NRA at least \$1,000 at a time; until earlier this year, the magazine listed those who donated special, onetime gifts of \$250 or more but dropped that practice because of space limitations. And some NRA members have left the NRA bequests in

the hundreds of thousands of dollars—their parting shot, so to speak.

Finally, there is the gun industry. It has long been assumed that the NRA receives financial support from firearms dealers and manufacturers, yet Metaksa, when asked about this, replied, "Baloney. Absolutely nothing." Yet the NRA in 1993 earned \$8.6 million from advertising income, largely through ads from the gun industry in NRA magazines. And the NRA has arranged with gun dealers around the country to help the NRA solicit contributions from gun buyers. According to Tom Washington's "The President's Column" in the *American Rifleman*, just one dealer—Midway Arms of Columbia, Missouri—raised more than \$678,000 for the NRA in four years. "It isn't just individual volunteers who benefit our Association," wrote Washington. "Many businesses donate their time and efforts as well."

Thanks to the Federal Election Commission, those millions raised by the NRA cannot be spent on federal campaigns. The FEC carefully regulates how a PAC, in this case the Political Victory Fund (PVF) of the NRA, raises or spends its cash.

Or does it?

The answer is: It does, but not very well. There are so many loopholes in the FEC rules that an organization like the NRA can do just about anything it wants to do for political objectives. Here's how.

A glance at the NRA's PAC records on file at the FEC, provided by the Center for Responsive Politics, shows that the overwhelming bulk of the NRA's PAC money comes into the PVF in donations of less than \$200. Anything more than \$200 must be reported to the FEC on an itemized basis. Yet over the six-year period ending December 31, 1994, the PVF reported itemized donations of only \$278,631. During the same period, the PVF raised a total of \$16,499,000.

One might conclude that large donors stay away from the PVF. But the FEC is not required to verify the accuracy of the NRA's filing. The forms that the NRA fills out simply list the itemized gifts as a line item, then present a lump-sum total for the bulk of the PVF income under the nonitemized heading. Even if the FEC suspects that there is something fishy about the lopsided nature of the PVF's income, it cannot investigate on its own

without evidence of wrongdoing. The FEC takes the NRA's report on faith, just as it does with every other PAC.

More important, though, the FEC does not regulate the so-called "administrative and fundraising" costs associated with a PAC. That means that the NRA can spend unlimited sums, millions of dollars, to raise PAC funds, paying for repeated mailings to the NRA's 3.4 million members—and it does not have to report a single cent of those fundraising costs to the FEC. (That is also true for all other PACs, but it is particularly important for a large organization that can harvest small contributions, as opposed to, say, a trade association with a few dozen members whose executives kick in big bucks.)

And that is exactly what the NRA does. Using its corporate treasury, which is "soft money," that is, not regulated by the FEC, the NRA in 1994 spent at least \$2 million—and probably much more—asking NRA members to contribute to the PVF. That, in turn, is what raised the PVF's \$6.83 million during 1993-94. Through the science of direct mail, the NRA can estimate how much each dollar

spent on soliciting donations to the PVF will bring in. So, while the FEC rules prevent a wealthy donor from giving more than \$1,000 to a PAC, nothing prevents that donor from giving the NRA \$5,000 in soft money, which the NRA then plows into PVF fundraising. A direct donation of \$5,000 in soft money suddenly becomes \$5,000, \$10,000, or more in "hard money"—in other words, legally usable, reportable PAC cash.

That's not the only loophole the NRA has exploited. For example, the FEC has issued regulations saying that no association can solicit PAC money from its members unless (1) those members pay their dues and (2) those members have the right to vote for the governing body of the association. The purpose of these rules is to distinguish genuine member-controlled organizations from closely controlled direct-mail operations.

Under the NRA's bylaws, only so-called Life Members and Five Year Members, who pay larger chunks of dues at a time, have the right to vote for the NRA's 75-member board of directors—a none-too-subtle bit of class distinction. Thus, under the law, the NRA would be disallowed from soliciting the bulk of its membership, who pay only one-year dues of \$35 and have no voting rights. To avoid FEC action, however, the NRA in 1994 engaged in a subterfuge so brazenly transparent that it boggles the mind. It added one position to its board to be elected at the NRA's annual meeting, to which any and all NRA members may come. Any NRA member, therefore, has the theoretical right to vote for one director, and one director only. Of course, only a minuscule portion of the NRA membership actually goes to the meeting.

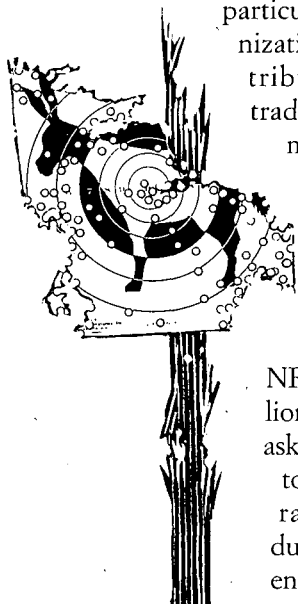
This construct, laughable in its intent to subvert an FEC regulation, has not been challenged in court—yet. In the meantime, the subterfuge allows the NRA to continue to send PVF PAC mailings to its full membership and to put millions of dollars into the PVF bank account. And, by the way, the FEC conducts no audits of the NRA's membership records to determine how many members the NRA has and whether or not they are actually paying their dues.

NOT-SO-INDEPENDENT EXPENDITURES

Those who have found themselves in the NRA's sights, however, are generally more familiar with the organization's use of another legal loophole that allows the NRA to support candidates well beyond the limits on direct donations to campaigns.

Because the FEC cannot regulate free speech (thank goodness), the NRA—like any individual, corporation, or group—can spend unlimited amounts of money to promote its cause, even during an election, as long as the NRA does not engage in what is called "express advocacy." Express advocacy means that the NRA must cross a fuzzy line by explicit, campaign-style promotion of a particular candidate. If a promotion crosses that line, the thinking goes, the money spent on it ought to count as a direct political contribution, thus subject to the limits set by the FEC.

But the line is so fuzzy that the NRA can run television commercials criticizing a candidate and supporting the NRA's laissez-faire attitude toward semi-automatic weapons without falling under FEC regulations at all. In the 1992 Synar race, the NRA lib-



erally took advantage of this loophole, running one attack advertisement with "hard" PVF money blasting Synar and then, sandwiched around another commercial, following up with a second spot that used the same spokesman, Charlton Heston, yet did not mention Synar by name. That second commercial was paid for by the NRA's corporate account, not by its PAC—thus giving the NRA a double bang for its buck.

All of these loopholes, including the biggest one of all, the use of independent expenditures, were used expertly by the NRA in 1994.

To put the NRA's use of independent expenditures in perspective, consider this: In 1993-94, the NRA accounted for fully one-third of all independent expenditures by all groups during the election.

Asked about the role of independent expenditures, Metaksa is unable to suppress a sly grin before the questioner even finishes. "It's a chance for the organization to put itself into the political arena," she says. "And if the purpose is to get our point of view across, then it takes more than five or ten thousand dollars, especially in a big state." Indeed—and it doesn't hurt that nobody's figured out a way to regulate those amounts. The Clinton administration's campaign finance reform bill had a provision to offset the impact of independent expenditures, by providing public subsidies for candidates victimized by them. But that bill succumbed to the threat of a Republican filibuster a few months before the 1994 election.

SELF-INFLICTED WOUNDS

Stricter campaign finance law or tougher FEC regulation of the NRA seems an unlikely possibility as long as Republicans control Congress. But the NRA's coziness with the Republican Party may yet cost the organization some loyalty among its many lower- and middle-class members, many of whom find the Republican stances on economics less appealing than the party's opposition to gun control.

In the past the NRA has been able to whipsaw organized labor, many of whose members oppose gun control. But the trade union rank-and-file is only beginning to appreciate that the NRA is an

Thanks to a loophole, the NRA can use large unregulated donations to finance direct mail, which brings in small donations that it can legally use to finance political campaigns.

ally of bitterly anti-union legislators. Already, the AFL-CIO is launching a labor counteroffensive against the NRA. That movement is starting in the West, where key AFL-CIO state presidents and affiliates are studying the NRA's role in the 1994 elections. Don Judge, president of the Montana AFL-CIO, in a state where the NRA and the militia movement are powerful side-by-side forces, says that his organization is trying to educate union members that the candidates supported by the NRA are precisely the ones who, once in office, vote against labor on

every issue from the minimum wage to right-to-work to safety and health provisions. "Many of us have decided, what have we got to lose in confronting this?" asks Judge. "The kind of people being promoted by the NRA, with rare exceptions, typically do not support the kinds of things that are important to working people, beyond the issue of gun ownership."

In Pennsylvania, the AFL-CIO was rocked by the Democrats' rout in 1994, and Rick Bloomingdale, president of the AFL-CIO there, is ready to confront the NRA. Bloomingdale points out that the NRA backed the victorious Republican Representative Tom Ridge in Pennsylvania's governor's race last year, even though Ridge had voted for the assault weapon ban in Congress in 1994. Says Bloomingdale, "We finally know what the NRA-PAC stands for: the National Republican Association." When the Pennsylvania AFL-CIO began running ads last year featuring a union member and the slogan, "I'm the NRA and I'm supporting Harris Wofford," the NRA's lawyers hit them with a cease and desist order because "I'm the NRA" is copyrighted by the organization. Adds Bloomingdale, "The same people who support the NRA are the people trying to bust unions."

A study by Professor Paul Clark of Pennsylvania State University shows that the NRA consistently backs candidates whose positions on economic issues are far to the right. "While [the NRA] claims not to take positions on overtly economic issues, the candidates they support clearly do," he says.

"Significantly, they have had some success at convincing union members to support their organizations and their candidates."

Warren Cassidy, a former NRA executive vice president, card-carrying Republican, and backer of the Dole campaign, worries openly that the NRA's lurch to the right may involve a quid pro quo to support the Republicans on issues that have nothing to do with guns. "When does that quid pro quo begin to hurt your organization?" he asks. "With all the connections to a strong conservative movement, NRA got caught up in that tide and they might not be able to extricate themselves." He warns: "It isn't necessarily true that all those chits should fall to one party, the Republican Party . . . because we have always had a strong, strong blue-collar element, both rural and urban, in the NRA. And many, many, many of these people are union members."

In addition, many former NRA board members and leaders say that the NRA is driving away its long-time friends and allies by its roughshod tactics. Oklahoma Congressman Bill Brewster, who served on the NRA's board until 1995, quietly withdrew this year. High-profile resignations by George Bush, John Dingell, and other NRA supporters have hurt the organization's political clout. Dole, who voted for the Brady Bill in 1991 (but later opposed it 1993) and now keeps the NRA at arm's length while supporting most of its agenda, is warily watching the NRA's close relationship with Senator Phil Gramm, his rival for the 1996 presidential nomination in the Republican Party.

In the meantime, NRA officials have more immediate concerns. In its single-minded fervor to defeat even the most hesitant supporters of gun control, the NRA may have recklessly stretched its spending to the breaking point. The direct-mail scheme upon which the NRA has built its empire has been costly, and the organization recently traded a sizeable chunk of its inheritance for a posh new headquarters building. All of this has led many former NRA officials to say that the organization will crash in the near future. Reports of financial difficulties have attracted the scrutiny of the Internal Revenue Service.

Still, on Capitol Hill a healthy symbiosis between the Republicans and the NRA continues to thrive. While a good number of mainstream Republicans see the NRA as a loose cannon and an organization of zealots flirting with the far right, these Republicans still want the NRA's money and grassroots army at election time, and they still worry that any misstep—even in the course of the routine give-and-take that occurs in a legislative session—could bring the NRA down on their heads.

On January 25, as Gingrich, Arme, and company moved to implement the Contract with America, the NRA convened a summit meeting in the Speaker's office. Attending were Gingrich, Arme,

House Republican Conference Chairman John Boehner of Ohio, Republican Whip Tom DeLay of Texas, National Republican Conference Committee Chairman Bill Paxon of New York, and Crime Subcommittee Chairman Bill McCollum of Florida. From the NRA side, participants included Neal Knox, Tanya Metaksa, Wayne LaPierre, and, interestingly, NRA Board of Directors member Senator Larry Craig of Idaho. Following the meeting, Gingrich and the NRA announced that they had formed a "partnership" on gun issues in the House, inviting conservative

Democrats like Brewster and Harold Volkmer of Missouri to join in. Shortly after that meeting, Gingrich sent Metaksa the letter promising his opposition to gun control, characterizing their meeting as "both a discussion among friends but more importantly among like-minded individuals."

Were it not for the Oklahoma City bombing, which tarred the NRA because of its association with some militia groups, Congress would likely have taken up a repeal of the assault rifle ban. The NRA worked so closely with congressional committees investigating the Waco disaster that there was no clear line between congressional and NRA staffers. And the NRA has thrown its weight around in committee action on so-called "cop killer" bullets. With the 1996 election just around the bend, it is a safe bet the Republicans will be reaching out to the NRA once again, confident that the group can accomplish its mission and willing, in exchange, to do its political bidding. □

A healthy symbiosis between the NRA and congressional Republicans continues to thrive.

CAN'T TOUCH THIS?

THE PENTAGON'S BUDGET FORTRESS

BY KAREN M. PAGET

Nearly six years after the fall of the Berlin Wall, all talk of a peace dividend has evaporated. The very phrase seems quaint, an echo from another era. Whole domestic agencies, meanwhile, are targeted for extinction. Welfare and every other form of safety net—home heating subsidies, housing and homeless programs, food and nutrition programs—are under the budget knife. Medicare, long considered too politically risky to cut, has lost its immunity. Only the military budget remains secure from cuts, not only off the table, but slated for increases by both the Clinton administration and congressional Republicans.

Yet credible defense analysts across a wide ideological spectrum, including former Department of Defense officials, congressional budget analysts, think tank scholars, and at least one former head of the Central Intelligence Agency, say the Pentagon could be further cut, saving as much as \$200 billion over the next five years. Why the immunity?

Two propositions are working in tandem to maintain the Pentagon's protected status, one erroneous, the other problematic. The first is the belief that, since the end of the Cold War, defense decreases have cut the military "to the bone"—to its very marrow. The second is a vague but widespread belief that, while the Cold War may be over, the world is still a dangerous place. Both propositions, critics say, combine fact, mythology, ideology, and theology and need to be thoroughly reexamined. Analysts of diverse political stripes argue that the military has not been cut to the bone, that it has the fittest, best-trained force ever, and that the global dangers faced by the United States have been exaggerated.

America's behavior in a wide variety of international hot spots, from Bosnia to Somalia to Chechnya, suggests an era with few strategic threats to the U.S., in which both the administration and Congress are reluctant to intervene in foreign conflicts, no matter

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what the Pentagon budget. The most hawkish figures in both parties tend to be the most isolationist. An expanded military could find itself all dressed up with no place to go.

THE MARROW ARGUMENT

Has the military budget been cut since the end of the Cold War? Yes, definitely. How much has it been cut? Estimates vary from 15 percent to 40 percent, depending on what years are compared and whether inflation is taken into account.

Secretary of Defense William Perry says the military budget has been cut by 40 percent, a figure widely cited by politicians who support current levels of spending or who are trying to save their states' military bases or defense contracts. California Senator Dianne Feinstein used the 40 percent figure in arguing against the recommended closure of McClelland Air Force Base. Defense hawks in the House and Senate use it routinely.

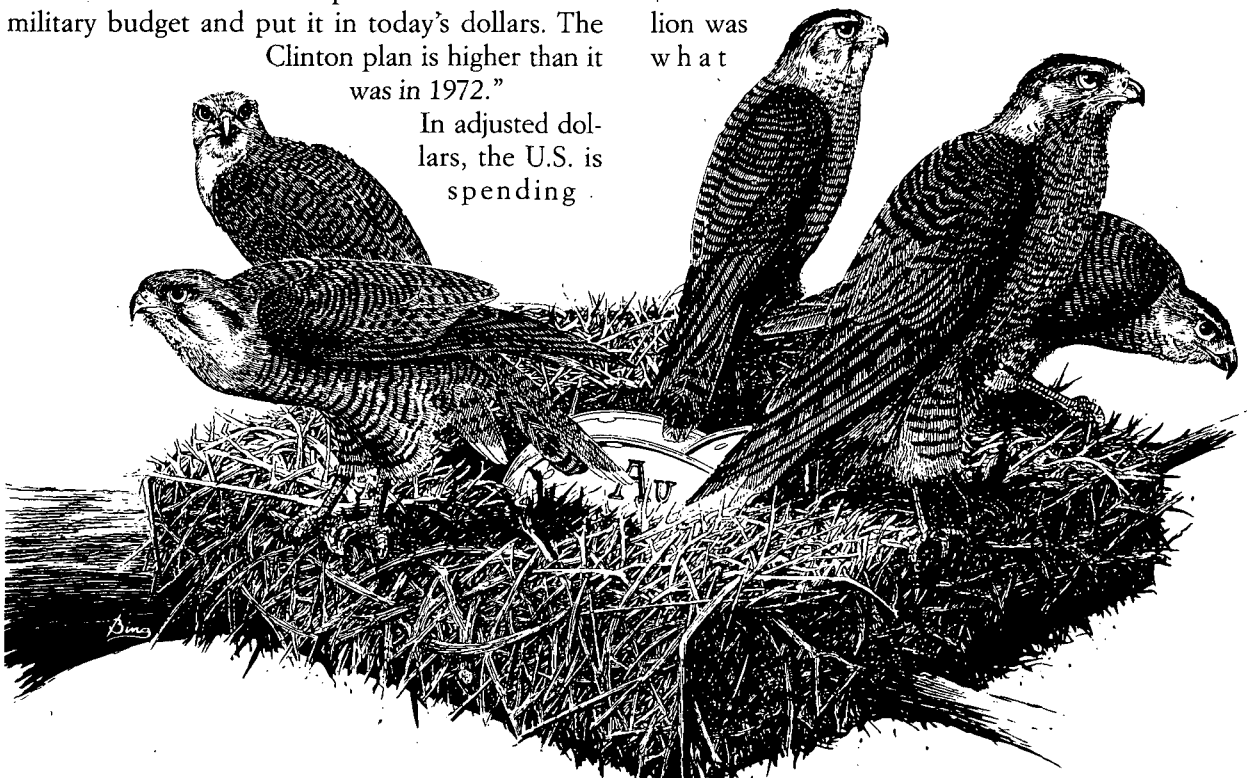
This percentage sounds dramatic until its basis is understood. Laurence Korb, a former assistant secretary of defense, now affiliated with the Brookings Institution, says the 40 percent figure is technically correct only if you use the Reagan 1985 budget year as a base. Between 1980 and 1985, Reagan increased defense spending slightly over 50 percent. Korb offers a different comparison: "Let's take the military budget and put it in today's dollars. The Clinton plan is higher than it was in 1972."

In adjusted dollars, the U.S. is spending

more on defense today than it did in 1955, or 1975, or most years of the Cold War with the exception of the Vietnam and Reagan peaks. The 1996 budget will be approximately \$267 billion, or 85 percent of average Cold War budgets.

These comparisons, of course, leave out the defining event, the end of the Cold War, and the many geopolitical changes that have accompanied its ending. Together, the United States and its allies account for between 70 and 80 percent of the world's military spending. Although estimates vary considerably, most experts say that the next highest spending countries—France, Japan, and Russia—each spend somewhere between \$30 and \$50 billion annually.

Numbers like these lead such politically different figures as Bob Borosage, director of the Campaign for New Priorities and a former Jesse Jackson advisor, and William Colby, former CIA director under Nixon, to argue that we have a desperate need for new thinking. Colby breaks down previous military expenditures to demonstrate that the lion's share of annual trillion-dollar expenditures was due to the conflict with the Soviets: "About \$300 billion of it was our defense budget, about \$300 billion was our guess about what the Russians, the Soviets, were spending, and about \$200 billion was what



NATO and Warsaw Pact allies were spending. So, of the trillion, \$800 billion was mostly, not exclusively, devoted to the Cold War. And it's over."

On the libertarian right, the Cato Institute questions the need for today's spending levels. In a July 1995 report, the institute urged military spending be immediately reduced to \$205 billion, with a goal of reaching \$140 billion (in today's dollars) by the turn of the century. In releasing the report, its authors note: "One of the most tenacious myths, especially among conservatives, is that there has been a dangerously excessive reduction in U.S. military spending since the late 1980s. By almost any measurement, that is not the case."

The end of the Cold War has been sharply felt by individuals and communities whose livelihoods for decades have been shaped by defense jobs. The absence of more robust national investment or conversion policies that could cushion the effects on local economies has silenced traditional advocates for limiting military spending. Unions, such as the United Auto Workers or International Association of Machinists, whose leaders for years tried to trim defense spending, are overwhelmed by layoffs and meager assistance programs and no longer able to carry on that fight. Many liberal and moderate politicians, who in the past have challenged military spending and might be expected to articulate some post-Cold War new thinking, have been silenced by the need for local jobs. Some have become advocates of a strong defense, as they try to save bases and vote for bombers and submarines that even the military says are superfluous.

Senator Feinstein stunned critics of the B-2 bomber when she led the fight to continue its production. The B-2 is a bomber designed specifically to penetrate Soviet defense; since the Soviets no longer have anything we need to penetrate, the logic for continued production of B-2s has disappeared. The cost per bomber is estimated to be between \$1 billion and \$1.5 billion. Brookings's Korb minces no words: "We had killed the B-2 if she hadn't gotten involved. There was a handshake agreement—everybody had signed up on it—the Air Force, [Senator] Nunn—no more than 20. Even the Air Force was behaving itself. Then, she gets up and opens up the damn thing, and all bets are off." He adds, "And, you haven't heard Clinton get up and say we don't need B-2s."

Leading the fight against the B-2 was deficit hawk Republican John Kasich, chair of the House Budget Committee, and traditional dove, Congressman Ronald Dellums, ranking member of the National Security Committee, formerly the House Armed Services Committee. The vote for producing more bombers was close, 213 to 203, with 70 Democrats joining Republicans. Several weeks after this fight, the *New York Times* headlined a General Accounting Office (GAO) draft report that found after 14 years, the B-2 has not passed most of its basic tests, and cannot distinguish rain from other obstacles.

Many liberal politicians have long supported defense cuts, except in their backyards. Feinstein's more liberal predecessor, Alan Cranston, perennially supported production of the B-1 bomber. In recent years, base closures and downsizing have coincided with substantial job losses in non-defense areas, making the political choices more excruciating.

Many politicians say privately that they feel helpless and often unable to save private-sector jobs. At least defense jobs, as public-sector jobs, are something they have a shot at influencing. Connecticut politicians freely acknowledge that support for the Seawolf, a submarine specifically designed to fight the Soviets, is a sine qua non for re-election.

In the recent round of base closures, one expected to hear the following rhetoric from Republican Governor Pete Wilson: "We are cutting into the muscle, we are cutting into the ability of the American military to be able to project force in a firm and convincing fashion that has special significance here in the Pacific region, which is particularly volatile." One was surprised to hear both Senators Feinstein and Barbara Boxer using strong defense arguments. Closing McClelland Air Force Base, they argued, poses "risks to national security." Even an angry President Clinton, in his speech

Credible
defense analysts
across a wide
ideological spec-
trum say the
Pentagon budget
could be
further cut.

publicly accepting the base-closing commission's recommendations, stuck to economic factors to explain his anger.

THE CLINTON FACTOR

During the early primaries of the 1992 election candidate Clinton advocated substantial cuts in the military budget, continuing but accelerating Bush's downward trend. Clinton promised \$100 billion

Said one former Pentagon official, "Once they rolled [Clinton] on the gay issue, the battle was really over."

worth of cuts over five years, \$50 billion more than President Bush. President Clinton, however, after an inaugural budget that continued the Bush trajectory, has gradually been restoring previous decreases. He had restored \$36 billion prior to his proposed 1996 increases. In this year's budget resolution fight, Clinton

proposed increases of \$70 billion over the next six years. Some House Republicans wanted to raise military spending by as much as \$150 billion during the same period.

What accounts for the shift in Clinton's stance? In his first year, the president was roundly criticized by the defense establishment for plucking a defense figure from a hat rather than using one backed by a cogent set of strategic objectives. President Clinton directed Secretary of Defense Les Aspin to conduct a strategic planning process and a thorough review of defense strategy, force structure, modernization, infrastructure, and foundations.

The Pentagon's effort resulted in the "Bottom Up Review" (BUR), released in September 1993. It has been characterized by former intelligence chief William Colby as bureaucratically self-interested, by a Cato Institute publication as "fraudulent," and by Aspin intimates as an exemplar of strategic clarity, explicitly linking global security objectives with budget estimates. The BUR's assumptions about the world's dangers now drive the Pentagon's request levels, their definitions of military readiness, and the claim that the current budget is underfunded.

DANGER INTO DOLLARS

As any household planner knows, budget needs vary greatly with how the future is viewed. Should you plan for a relatively crisis-free year? For an unexpected fire? For a fire and a flood? For one fire, one flood, and an earthquake? Clearly, you are going to need larger sums of money in the latter cases. Critics say the Pentagon constructed a vision of geopolitical dangers based on worst-case assessment of potential threats. These include not only wars, but also the potential economic collapse of Russia and China. Those two nations may well face economic calamities in the coming years, but it's not at all clear how the U.S. would intervene militarily.

The report says the Pentagon used models, war games, military analyses, and discussions with political leaders to convert strategy into force requirements. The key force requirement premise, and the central budget driver, is that the United States must be ready to fight, simultaneously, two regional wars, in geographically distinct areas. This is known in Pentagonese as the MRC, for Multiple Regional Contingencies. Most scenarios involve one war in the Gulf and one with North Korea. The MRC price tag has been estimated to be as high as \$90 billion per year per war. Skeptics in and out of Congress maintain that the military has essentially substituted rogues for Soviets. One budget analyst calls it overly ambitious, a case of the Pentagon having pushed the goalposts back, trying to get a level of security we never had during the Cold War.

Former intelligence chief William Colby, who thinks the military budget can easily be reduced 50 percent from Cold War levels without endangering national security, works his way down a list of threats, often accepting the Pentagon's worst fears, but not their approach or their budget figures. Colby agrees that the Gulf is our most pressing strategic problem. "I think with these rogues, there's no use debating whether they could get a weapon or whether they have a weapon. Assume they have, now what do we do?" He believes diplomacy, mediation, and arms control are more likely to forestall danger, and that we're doing exactly the right thing with Iraq, Iran, and North Korea.

Another major danger, cited in the "Bottom Up Review" and frequently expressed in congressional debates, is that the Russian experiment will fail and, once again, the United States will be threatened. Colby, along with others, accepts the possi-

bility of future danger but argues that the financial costs are too high to treat it as a near-term threat: "Russia could turn to a new fascism if we are so dumb as to not support them adequately, and a new aggressiveness toward their neighbors could build up again to a cold war. It would take them years—ten years, perhaps. Meanwhile, their allies are our allies."

Implicit in such critiques is the importance of nonmilitary resources, foreign aid, cooperative economic ventures, and multilateral lending. Yet, while increasing defense, Republicans have been trying to gut most nonmilitary forms of foreign assistance.

A HOLLOW ARMY?

The relationship between danger and budgetary requirements is a direct one: the greater the assessed danger, the larger the budgetary needs. Congress rarely debates the merits of any of the contingency scenarios. Most of the debate centers around whether U.S. troops are adequately prepared for the contingencies. Unfortunately, most discussions of readiness get quickly reduced, bumper-sticker fashion, to the hot-button issue of a hollow army, a political code word among defense hawks meaning American troops ill prepared to fight.

The phrase "hollow army" dates back to the 1970s and refers to problems associated with the change from conscription to a volunteer army. Troops were hard to recruit in the post-Vietnam period, their quality was low, pay was inadequate, and training was poor. Democrats, especially President Jimmy Carter, were blamed for these conditions. The phrase has been kept around, Willy Horton style, and is a charge that makes Democrats skittish, particularly the Clinton administration. Korb, who was Reagan's readiness czar during his first term, says: "You've got a lot of the same people in the Pentagon who were there under Carter, and they are not going to let themselves fall into that trap again. So, the military says we're hollow, we've got a problem and they give 'em the money." Korb says today's military is high on quality: Nearly 100 percent of the recruits are high school graduates—the law requires only 65 percent—and the training budgets per capita are higher than they have ever been.

Readiness is hard to measure. The key variables of personnel, equipment and supplies on hand, equipment readiness, and training are translated into performance measures, such as hours of flying

time and tank driving time, and are numerically scored. Readiness standards were heightened during the Reagan buildup, and they are used today to boost Pentagon claims of a funding gap. Richard Kogan, formerly a House budget analyst, now at the Center for Budget and Policy Priorities, argues that a good analogy to the gap can be found in modern medicine: "Technology has surpassed our ability to pay for what technology can provide. We simply can't afford as a society to buy all the things that would improve either our defense or our health. . . . It could consume the entire gross national product."

This thirst for reducing risk through technology found its ultimate expression in Reagan's Strategic Defense Initiative (SDI), better known as Star Wars. Scientific ridicule of this plan, which would build a kind of shield over the U.S. to protect us from Soviet missiles, along with the end of the Cold War, sank SDI for a time. Now, remarkably, SDI has been renamed the Ballistic Missile Defense Organization (BMDO) by the late Les Aspin, and Republicans and Democrats have both proposed money for a renewed effort. The Clinton administration put money in for theater defense—the ability to defend ships and troops stationed close to dangerous areas where their vulnerability to missile attacks are increased. The Republicans added money for a national ballistic missile system defense, a version of Reagan's shield. (For reasons that are not entirely clear, Star Wars is a theological issue to many Republicans, who regard support as a litmus test of party loyalty, as potent an issue as abortion rights are for Democrats.)

Proponents argue that a national shield is now more likely to work than it was during the Soviet era, because the defense is against, say, three or four missiles launched by rogues rather than against several thousand Soviet missiles. Critics say such a defense is still a pipe dream and unlikely to provide the promised security. In the meantime, BMDO has qualified as another national security need and added billions to the military budget.

PROSPECTS FOR CHANGE

During his first term, President Clinton has been constrained from further cuts by a variety of factors, some of which are unlikely to change during a second term. First, Clinton starts from a position of weakness, not only lacking the credibility of military service, but having avoided the draft and

opposed the war in Vietnam. Second, his position was further weakened, some say fatally, after he took on the issue of gays in the military. Said one former Pentagon official, "Once they rolled him on the gay issue, the battle was really over."

A third factor is more ideological: Bill Clinton shares the conviction, along with other founding members of the Democratic Leadership Council (DLC), that Democrats have lost previous national elections (McGovern, Mondale, Dukakis) because they were seen as soft on defense. He is determined never to be vulnerable to these charges. In Elizabeth Drew's book on President Clinton's first year, *On the Edge*, Clinton worries how his defense budget figure will be perceived politically, knowing it will peg him as either a centrist or a liberal. In later budget cycles, according to one White House insider, the Pentagon got an increase strictly because Clinton was worried about how the military might perceive him. At the same time, there is no evidence that Clinton is uncomfortable with the current budget figures, or that if he were somehow freer, he would slash them.

Some of Clinton's harsher critics believe the administration has squandered a critical opportunity to define post-Cold War priorities. But most congressional Democrats, however critical they may be of spending levels, have muted their criticism in favor of supporting the president. The Black Caucus budget, which called for lower levels of defense spending, garnered only 56 votes this year. Congressman Dellums, as the ranking minority party member on the National Security Committee, sent his own letter to Budget Chair Kasich. The letter, temperate in tone, recommends \$82.5 billion worth of reductions to the Clinton plan over the next five years. (Activists outside Congress say Dellums unfortunately did not mobilize support for his position either in or outside Congress.) Senator Tom Harkin tried to amend the military budget in the Senate, and found similarly that he had few allies. The amendment failed 28 to 71. These congressional failures are also indicative of the lack of public clamor to cut the military budget.

The only serious fights in Congress to cut defense spending have been led by Republicans over specific weapons: House Budget Chair John Kasich fought against the B-2 bomber, and Senator John McCain of Arizona fought against the production of a third Seawolf submarine. Like the B-2 stealth bomber, the Seawolf was specifically

designed to counter the Soviet fleet. Now, there are no enemy fleets to counter. Both fights were lost. McCain, it should be noted, simultaneously advocated a \$120 billion increase in defense spending generally. In the House, Kasich also voted initially against the new Star Wars. His position got him in trouble with the Speaker and contradicted the Contract with America, however, and he soon shifted his position, further dampening any thoughts of a bipartisan coalition between Republicans concerned about the deficit and Democrats concerned about the military budget.

This spring, while both parties were rewarding the Pentagon with increases, the General Accounting Office issued a report on the Pentagon's ability to keep track of its spending. Not only was there a \$28.8 billion gap in past expenditures that no one could account for, but the Pentagon currently can't find vouchers for approximately \$1 billion of monthly expenditures. These findings went largely unnoticed in the media, but they outraged Republican Senator Charles Grassley of Iowa. The Pentagon's sacred cow, he said, had become a fatted cow. Threatening to deny further budget increases, Grassley asked: "Why is it that members on my side of the aisle send their management principles on vacation whenever the defense budget is mentioned?"

AFTER 1996

One factor that could force a reappraisal is the long-term politics of budget balancing. Greg Bischak, executive director of the National Commission for Economic Conversion and Disarmament, sees three budget bombs: the Pentagon's own ambitious and underfunded plans; the "back-loaded" path to a balanced budget requiring far more stringent program cuts after 1996; and the Pentagon's chronic cost overruns. The GAO and the Congressional Budget Office (CBO) both predict a procurement bulge by the year 2000, based on historical rates of cost overruns. The GAO estimated the costs could run as high as \$60 billion.

Robert Greenstein, director of the Center for Budget and Policy Priorities, who is deeply involved in defending low-income programs from budget cutters, agrees that any future defense cuts are likely to be budget driven. "As these [domestic] cuts go deeper and deeper, and yet we're still a long ways from balancing [the budget] . . . at that point you could start building concern and pressure for going deeper

into defense and not so much into domestic.”

Yet, should such public sentiment develop, Congress has devised a technical barrier, known as a budget wall, to prevent savings from the defense budget from being used for domestic programs. During the Bush administration, these walls were created by statute, and thus had the force of law. Greenstein says virtually no one has noticed that the Senate resolution reinstates a budget wall. The resolution requires a supermajority of 60 votes to move money from defense to domestic in any one of the next three years.

What is surprisingly absent is any public outcry. While budget bombs may help drive a reassessment of spending priorities, public engagement in the debate is crucial to any substantial shift, and that will not come without effort.

Historically, most attempts to mobilize public support for a reduced military budget have failed. Activists have worked for decades, at both the national and local level, on strategies to convert defense to non-defense activities, to little avail. Most approaches to conversion have tended to be micro—plant by plant or community by community. The main advocates in the past for national level policies were progressive union leaders, such as Doug Fraser of the United Auto Workers or William Winpinsinger of the International Association of Machinists. Now, these leaders are retired, and their unions racked with the pain of unemployed workers. Their legislative battles are now mostly defensive.

Conversion advocates have imagined that companies in the business of meeting defense contracts could find something else to build. The same handful of examples is always cited, such as Grumman’s development of aluminum canoes or Raytheon’s microwave ovens. But most defense contractors are terrible at shifting into commercial markets, and government has failed to stimulate a large-scale “demand side” conversion program by changing what it procures from industry.

President Clinton won high praise for many of his initial diversification plans, such as dual-use (commercial and military) technologies; however, congressional Republicans have tried to scuttle this program along with Clinton’s investments in education and training. In this year’s budget, the president requested \$500 million for the Technology

Reinvestment Program within the Defense Department; it has been zeroed out in the House and halved in the Senate, with final decisions awaiting a conference committee. Bischak, whose commission monitors congressional action on conversion programs generally, estimates that total cuts in all conversion-related programs, including those programs located in other government departments, could be as high as 50 percent from Clinton’s original proposals.

The Economic Policy Institute’s Jeff Faux says that it is clear in retrospect that serious conversion required large-scale public-sector projects, which would literally create demand and direct new investments in, say, a new generation of public transportation. United Auto Workers’ Barbara Warden lobbied for a small-scale conversion-style program in which the federal government would guarantee small loans for small and middle-sized suppliers who did wish to diversify but who couldn’t obtain capital in the private markets. This \$50 million program, which would cost the federal government only if the firms defaulted, finally passed Congress last year but still faces persistent opposition. The main argument against such assistance is a kind of voluntary budget wall. Republicans, and some Democrats, want nothing in the defense budget that doesn’t go directly for defense. The argument that the Defense Department is no place for programs to aid displaced defense workers, or to foster commercial applications of military technology, would not be a problem if the domestic budget contained money for these programs, but it doesn’t.

Thus, we come full circle. Until congressional Democrats have national policies that can ease the pain of defense workers and their communities, and confront directly the question of a post-Cold War economy, they have few alternatives but to walk in lockstep with the president. And, unless the president finds a compelling reason to reexamine the Pentagon’s plans, and to make the case for a leaner military, his policies are not likely to provide those economic alternatives.

One awaits further action from outside Washington. The near-total silence over the Pentagon and its sacrosanct budget began to give way to a smattering of editorials, columns, and letters to the editor, raising the question: Why is defense spending protected? As the rest of the federal budget comes in for drastic cuts, that question deserves much greater public attention. □

Do Ask, Do Tell

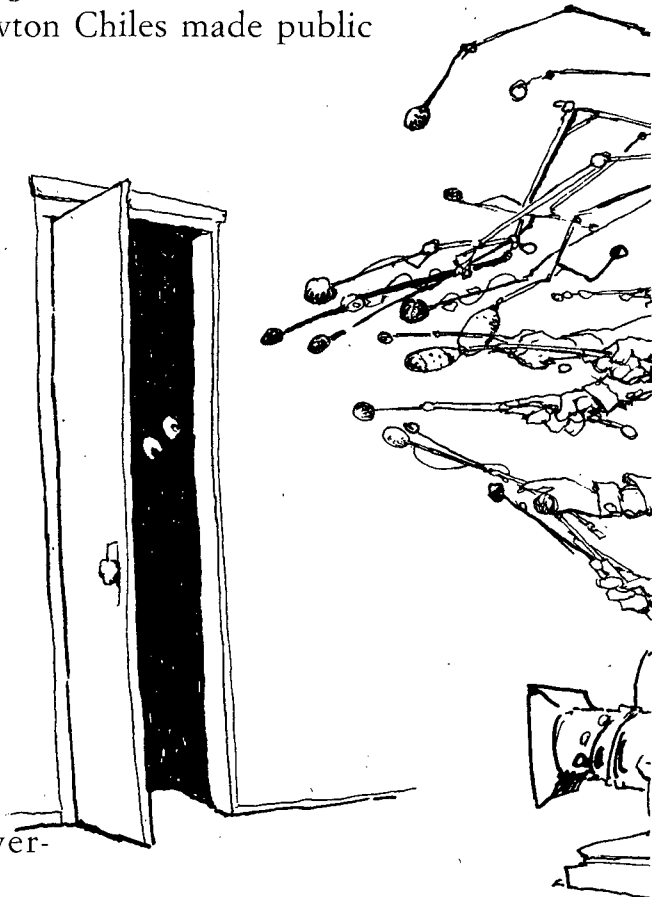
FREAK TALK ON TV

BY JOSHUA GAMSON

At the end of his 22 years, when Pedro Zamora lost his capacity to speak, all sorts of people stepped into the vacuum created by multifocal leukoencephalopathy, the AIDS-related brain disease that shut him up. MTV began running a marathon of *The Real World*, its seven-kids-in-an-apartment-with-the-cameras-running show on which Pedro Zamora starred as Pedro Zamora, a version of himself: openly gay, Miami Cuban, HIV-positive, youth activist. MTV offered the marathon as a tribute to Zamora, which it was, and as a way to raise funds, especially crucial since Zamora, like so many people with HIV, did not have private insurance. Yet, of course, MTV was also paying tribute to itself, capitalizing on Pedro's death without quite seeming as monstrous as all that.

President Clinton and Florida Governor Lawton Chiles made public statements and publicized phone calls to the hospital room, praising Zamora as a heroic point of light rather than as the routinely outspoken critic of their own HIV and AIDS policies. The Clinton administration, in the midst of its clamp-down on Cuban immigration, even granted immigration visas to Zamora's three brothers and a sister in Cuba—a kindly if cynical act, given the realities of people with AIDS awaiting visas and health care in Guantanamo Bay.

Thus, according to *People* magazine, did Zamora reach a bittersweet ending. He was unable to see, hear, or speak, yet with his family reunited, "his dream had come true." Behind the scenes, one who was there for Zamora's last weeks told me, the family actually separated Zamora from his boyfriend, quite out of keeping with the "dreams" of Pedro's life. When Pedro had his own voice, he had spoken power-



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fully of how antigay ideology and policy, typically framed as “pro-family,” contributed to teen suicides and the spread of HIV; in death, those speaking for him emphasized individual heroism and the triumph of the heterosexual family.

That others appropriated Zamora on his deathbed hardly tarnishes his accomplishment. As an MTV star, Pedro had probably reduced suffering by more lesbian and gay teenagers, and generally affected the thinking of more teenagers, than a zillion social service programs. He spoke publicly to millions in his own words and with the backing of a reputable media institution, and he did not just tell them to wear condoms, or that AIDS is an equal-

opportunity destroyer, and he did not just explicitly fill in the sexual blanks left by prudish government prevention campaigns. He also told them and showed them: Here is me loving my boyfriend; here is what a self-possessed gay man looks like, hanging out with his roommates; here is what my Cuban family might have to say about my bringing home a black man; here is me at an AIDS demonstration, getting medical news, exchanging love vows.

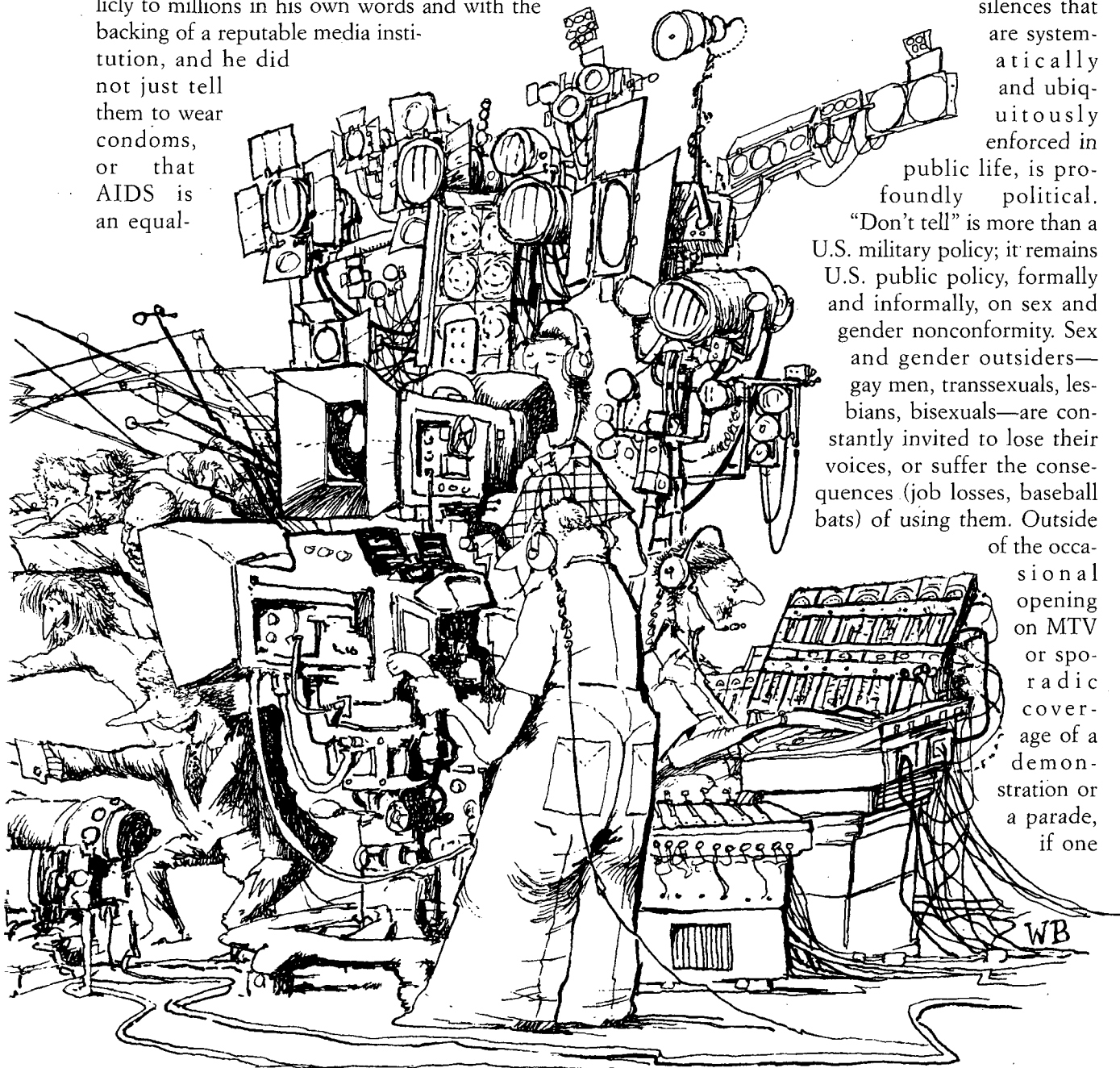
To speak for and about yourself as a gay man or a lesbian on television, to break

silences that are systematically and ubiquitously enforced in

public life, is profoundly political.

“Don’t tell” is more than a U.S. military policy; it remains U.S. public policy, formally and informally, on sex and gender nonconformity. Sex and gender outsiders—gay men, transsexuals, lesbians, bisexuals—are constantly invited to lose their voices, or suffer the consequences (job losses, baseball bats) of using them. Outside

of the occasional opening on MTV or sporadic coverage of a demonstration or a parade, if one



is not Melissa Etheridge or David Geffen, opportunities to speak for oneself as a nonheterosexual, or to listen to one, are few and far between. Even if the cameras soon turn elsewhere, these moments are big breakthroughs, and they are irresistible, giddy moments for the shut-up.

Yet, in a media culture, holding the microphone and the spotlight is a complicated sort of power, not just because people grab them back from you but because they are never really yours. If you speak, you must prepare to be used. The voice that comes out is not quite yours: It is like listening to yourself on tape (a bit deeper, or more clipped) or to a version dubbed by your twin. It is you and it is not you. Zamora's trick, until his voice was taken, was to walk the line between talking and being dubbed. The troubling question, for the silenced and the heard alike, is whether the line is indeed walkable. Perhaps the best place to turn for answers is the main public space in which the edict to shut up is reversed: daytime television talk shows.

DAYTIME EXPOSURE

For lesbians, gay men, bisexuals, drag queens, or transsexuals, or some combination thereof, watching daytime television has got to be spooky. Suddenly, there are renditions of you, chattering away in a system that otherwise ignores or steals your voice at every turn. Sally Jessy Raphael wants to know what it's like to pass as a different sex, Phil Donahue wants to support you in your battle against gay bashing, Ricki Lake wants to get you a date, Oprah Winfrey wants you to love without lying. Most of all, they all want you to talk about it publicly, just at a time when everyone else wants you not to. They are interested, if not precisely in "reality," at least not (with possible exceptions) in fictional accounts. For people whose desires and identities go against the norm, this is the only spot in mainstream media culture to speak on our own terms or to hear others speaking for themselves. The fact that it is so much maligned, and for so many good reasons, does not close the case.

I happened to turn on the *Ricki Lake Show* yesterday, for example, which, as the fastest rising talk show ever, has quickly reached first place among its target audience of 18-to-34-year-old women. The topic: "I don't want gays around my kids." I caught the last twenty minutes of what amounted to a pro-gay screamfest. Ricki and her audience explic-

itly attacked a large woman who was denying visitation rights to her gay ex-husband ("I had to explain to a nine-year-old what 'gay' means," and "My child started having nightmares after he visited his father"). And they went at a young couple who believed in keeping children away from gay people on the grounds that the Bible says "homosexuals should die." The gay guests and their supporters had the last word, brought on to argue, to much audience whooping, that loving gays are a positive influence and hateful heterosexuals should stay away from children. The antigay guests were denounced on any number of grounds, by host, other guests, and numerous audience members: They are denying children loving influences, they are bigots, they are misinformed, they read the Bible incorrectly, they sound like Mormons, they are resentful that they have put on more weight than their exes. One suburban-looking audience member angrily addressed each "child protector" in turn, along the way coming up with my new favorite apostrophe, and possible new pageant theme, as she lit into a blue-dressed woman: "And as for you, Miss Homophobia. . . ."

The show was a typical mess, with guests yelling and audiences hooting at the best one-liners about bigotry or body weight, but the virulence with which homophobia was attacked is both typical of these shows and stunning. When Ms. Lake cut off a long-sideburned man's argument that "it's a fact that the easiest way to get AIDS is by homosexual sex" ("That is not a fact, sir, that is not correct"), I found myself ready to start the chant of "Go, Ricki! Go, Ricki!" that apparently wraps each taping. Even such elementary corrections, and even such a weird form of visibility and support, stands out sharply. Here, the homophobe is the deviant, the freak.

Lake's show is among the new breed of rowdy youth-oriented programs, celebrated as "rock and roll television" by veteran Geraldo Rivera and denigrated as "exploitalk" by cultural critic Neal Gabler. Their sibling shows, the older, tamer "service" programs such as *Oprah* and *Donahue*, support "alternative" sexualities and genders in quieter, but not weaker, ways. Peruse last year's *Donahue*: two teenage lesbian lovers ("Young, courageous people like yourself are blazing the way for other people," says Phil), a gay construction worker suing his gay boss for harassment

("There's only eight states that protect sexual persuasion," his attorney informs), a bisexual minister, a black lesbian activist and two members of the African American theater group Pomo Afro Homos ("We're about trying to build a black gay community," says one), the stars of the gender-crossing *Priscilla, Queen of the Desert* ("I have a lot of friends that are transsexuals," declares an audience member, "and they're the neatest people"), heterosexuals whose best friends are gay, lesbians starting families, gay teens, gay cops, gay men reuniting with their high school sweethearts, a gay talk show. This is a more diverse, self-possessed, and politically outspoken group of nonheterosexuals than I might find, say, at the gay bar around the corner; I can only imagine what this means for people experiencing sexual difference where none is locally visible.

Certainly *Donahue* makes moves to counter its "liberal" reputation, inviting right-wing black preachers and widely discredited and relatively loony "psychologist" Paul Cameron, who argues that cross-dressing preceded the fall of Rome, that people with AIDS should be quarantined, and that sexuality "is going to get us." But more often than not, Phil himself is making statements about how "homophobia is global" and "respects no nation," how "we're beating up homosexual people, calling them names, throwing them out of apartments, jobs." The "we" being asserted is an "intolerant" population that needs to get over itself. We are, he says at times, "medieval." In fact, *Donahue* regularly asserts that "for an advanced, so-called, 'industrialized' nation, I think we're the worst." Questioning an officer about the treatment of gay police, for example, he cannot stop the almost desperate how're-we-doing flow: "But what would you say, regarding law enforcement today? How are we? Are we getting there? Are you pleased? Is it better than in the military? Is it worse? What?"

Oprah Winfrey, the industry leader, is less concerned with the political treatment of difference; she is overwhelmingly oriented towards "honesty" and "openness," especially in interpersonal relationships. As on *Lake's* show, lesbians and gays are routinely included without incident in more general themes (meeting people through personal ads, fools for love, sons and daughters you never knew), and bigotry is routinely attacked. But Winfrey's distinctive mark is an attack on lies, and thus the closet comes under attack—especially the gay male

closet—not just for the damage it does to those in it, but for the betrayals of women it engenders.

On a recent program in which a man revealed his "orientation" after 19 years of marriage, for example, the biggest concern of both Winfrey and her audience was not that Steve is gay, but that he was not up-front with his wife. As Winfrey put it on that program, "For me, always the issue is how you can be more truthful in your life." One of Steve's two supportive sons echoes Winfrey ("I want people to be able to be who they are"), as does his ex-wife, whose anger is widely supported by the audience ("It makes me feel like my life has been a sham"), and the requisite psychologist ("The main thing underneath all of this is the importance of loving ourselves and being honest and authentic and real in our lives"). Being truthful, revealing secrets, learning to love oneself: These are the staples of Winfrey-style talk shows. Because of them, not only do gay and bisexual guests find a place to speak as gays and bisexuals, but the pathology becomes not sexual "deviance" but the socially imposed closet.

All of this, however, should not be mistaken for dedicated friendship. Even when ideological commitments to truth and freedom are at work, the primary commitment of talk shows is, of course, to money. What makes these such inviting spots for nonconforming sex and gender identities has mostly to do with the niche talk shows have carved out for ratings. The shows are about talk; the more silence there has been on a subject, the more not-telling, the better talk topic it is. On talk shows, as media scholar Wayne Munson points out in his book *All Talk*, "differences are no longer repressed" but "become the talk show's emphasis," as the shows confront "boredom and channel clutter with constant, intensified novelty and 'reality.'" Indeed, according to Munson, Richard Mincer, *Donahue's* executive producer, encourages prospective guests "to be especially unique or different, to take advantage of rather than repress difference."

THIS SIDE OF A FISTFIGHT

While they highlight different sex and gender identities, expressions, and practices, the talk shows can be a dangerous place to speak and a difficult place to get heard. With around 20 syndicated talk shows competing for audiences, shows that trade in confrontation and surprise (*Ricki Lake*,

Jenny Jones, Jerry Springer) are edging out the milder, topical programs (*Oprah*, *Donahue*). Although Winfrey is still number one, with an estimated 9.4 million viewers, her ratings have declined significantly. Unquestionably, "exploitalk" is winning out, and the prize is big: A successful talk show, relatively cheap to produce, can reportedly make more than \$50 million a year in profits.

One way to the prize, the "ambush" of guests with surprises, is fast becoming a talk show staple. As Ricki Lake, whose show reaches an estimated audience of 5.8 million, told a reporter, the ambush "does so much for the energy of the show." Even without an ambush, a former *Jane Whitney Show* producer told *TV Guide*, "When you're booking guests, you're thinking, 'How much confrontation can this person provide me?' The more confrontation, the better. You want people just this side of a fistfight."

For members of groups already subject to violence, the visibility of television can prompt more than just a fistfight, as this year's *Jenny Jones* murder underlined. In March, when Scott Amedure appeared on a "secret admirer" episode of the *Jenny Jones Show* (currently number three in the national syndicated talk show ratings), the admired Jonathan Schmitz was apparently expecting a female admirer. Schmitz, not warming to Amedure's fantasy of tying him up in a hammock and spraying whipped cream and champagne on his body, declared himself "100 percent heterosexual." Later, back in Michigan, he punctuated this claim by shooting Amedure with a 12-gauge shotgun, telling police that the embarrassment from the program had "eaten away" at him. Or, as he reportedly put it in his 911 call, Amedure "fucked me on national TV."

Critics were quick to point out that programming that creates conflict tends to exacerbate it. "The producers made professions of regret," Gabler wrote in the *Los Angeles Times* after the Amedure murder, "but one suspects what they really regretted was the killer's indecency of not having pulled out his rifle and committed the crime before their cameras." In the wake of the murder, talk show producers were likened over and over to drug dealers: Publicist Ken Maley told the *San Francisco Chronicle* that "they've got people strung out on an adrenaline rush," and "they keep raising the dosage"; sociologist Vicki Abt told *People* that "TV

allows us to mainline deviance"; Michelangelo Signorile argued in *Out* that some talk show producers "are like crack dealers scouring trailer park America." True enough. Entering the unruly talk show world one tends to become, at best, a source of adrenaline rush, and at worst a target of violence.

What most reporting tended to gloss, however, was that most antigay violence does not require a talk show "ambush" to trigger it. Like the Oakland County, Michigan, prosecutor, who argued that "Jenny Jones's producers' cynical pursuit of ratings and total insensitivity to what could occur here left one person dead and Mr. Schmitz now facing life in prison," many critics focused on the "humiliating" surprise attack on Schmitz with the news that he was desired by another man. As in the image of the "straight" soldier being ogled in the shower, in this logic the revelation of same-sex desire is treated as the danger, and the desired as a victim. The talk show critics thus played to the same "don't tell" logic that makes talk shows such a necessary, if uncomfortable, refuge for some of us.

Although producers' pursuit of ratings is indeed, unsurprisingly, cynical and insensitive, the talk show environment is one of the very few in which the declaration of same-sex desire (and, to a lesser degree, atypical gender identity) is common, heartily defended, and often even incidental. Although they overlook this in their haste to hate trash, the critics of exploitative talk shows help illuminate the odd sort of opportunity these cacophonous settings provide. Same-sex desires become "normalized" on these programs not so much because different sorts of lives become clearly visible, but because they get sucked into the spectacular whirlpool of relationship conflicts. They offer a particular kind of visibility and voice. On yesterday's *Ricki Lake*, it was the voice of an aggressive, screechy gay man who continually reminded viewers, between laughing at his own nasty comments, that he was a regular guy. On other days, it's the take-your-hands-off-my-woman lesbian, or the I'm-more-of-a-woman-than-you'll-ever-be transsexual. Here is the first voice talk shows promote, one price of entry into mainstream public visibility: the vicious one, shouting that we gay people can be as mean, or petty, or just plain loud, as anybody else.

SPECTACLE AND CONVERSATION

The guests on the talk shows seem to march in what psychologist Jeanne Heaton, coauthor of the

forthcoming *Tuning in Trouble*, calls a “parade of pathology.” Many talk shows have more than a passing resemblance to freak shows. Neal Gabler, for example, argues that guests are invited to exhibit “their deformities for attention” in a “ritual of debasement” aimed primarily at reassuring the audience of its superiority. Indeed, the evidence for dehumanization is all over the place, especially when it comes to gender crossing, as in the titles of various recent *Geraldo* programs, in which the calls of sideshow barkers echo: “Star-crossed cross-dressers: bizarre stories of transvestites and their lovers,” and “Outrageous impersonators and flamboyant drag queens,” and “When your husband wears the dress in the family,” and “Girly to burly: women who became men.” As long as talk shows make their bids by being, in Gabler’s words, “a psychological freak show,” sex and gender outsiders entering them arguably reinforce their inhuman, outsider status, by entering a discourse in which they are bizarre, outrageous, flamboyant curiosities. (Often when they do this, for example, they must relinquish their right to define themselves to the ubiquitous talk show “experts.”)

Talk shows do indeed trade on voyeurism, and it is no secret that those who break with sex and gender norms and fight with each other on camera help the shows win higher ratings. But there is more to the picture. This is the place where “freaks” talk back. It is a place where Conrad, born and living in a female body, can assert against Sally Jessy Raphael’s claims that he “used and betrayed” women in order to have sex with them, that women fall in love with him as a man because he considers himself a man; where months later, in a program on “our most outrageous former guests” (all gender crossers), Conrad can reappear, declare himself to have started hormone treatment, and report that the woman he allegedly “used and betrayed” has stood by him. This is a narrow opening, but an opening nonetheless, for the second voice promoted by the talk show: the proud voice of the “freak,” even if the freak refuses that term. The fact that talk shows are exploitative spectacles does not negate the fact that they are also opportunities; as Munson points out, they are both specta-

cle and conversation. They give voice to those systematically silenced, albeit under conditions out of the speaker’s control, and in voices that come out tinny, scratched, distant.

These voices, even when they are discounted, which is often enough, in fact sometimes do more than just assert themselves. The people from whom they emerge, whatever their motivations, can sometimes wind up doing more than just pulling up a chair at a noisy, crowded table. Every so often, they wind up messing with sexual categories in a way that goes beyond a simple expansion of them. Talk shows attract viewers not only through public airings of personal problems, but also through public airings of problematic persons. In addition to reaffirming heterosexuality as normal and natural, or affirming both heterosexuality and homosexuality as normal and natural, talk show producers often make entertainment by mining the in-between: finding guests who are interesting exactly because they don’t fit existing notions of “gay” and “straight” and “man” and “woman,” raising the provocative suggestion that the categories are not quite working.

The last time I visited the *Maury Povich Show*, for instance, I found myself distracted by Jason and Tiffanie. Jason, a large

18-year-old from a small town in Ohio, was in love with Calvin. Calvin was having an affair with Jamie (Jason’s twin sister, also the mother of a three-month-old), who was interested in Scott, who had sex with, as I recall, both Calvin and Tiffanie. Tiffanie, who walked on stage holding Jamie’s hand, had pretty much had sex with everyone except Jamie. During group sex, Tiffanie explained, she and Jamie did not touch each other. “We’re not lesbians,” she loudly asserted, against the noisy protestations of some audience members.

The studio audience, in fact, was quick to condemn the kids, who were living together in a one-bedroom apartment with Jamie’s baby. Their response was predictably accusatory: You are freaks, some people said; immoral, said others; pathetically bored and in need of a hobby, others

This is the place where “freaks” talk back. Talk shows attract viewers not only by airing personal problems, but also by airing problematic persons.

asserted. Still other aspects of the "discussion" assumed the validity and normality of homosexuality. Jason, who had recently attempted suicide, was told he needed therapy to help him come to terms with his sexuality, and the other boys were told they too needed to "figure themselves out." Yet much talk also struggled to attach sexual labels to an array of partnerships anarchic enough to throw all labels into disarray. "If you are not lesbians, why were you holding hands?" one woman asked Tiffanie. "If you are not gay," another audience member asked Calvin, "how is it you came to have oral sex with two young men?"

This mix was typically contradictory: condemnation of "immoral sex" but not so much of homosexuality per se, openly gay and bisexual teenagers speaking for themselves while their partners in homosexual activities declare heterosexual identities, a situation in which sexual categories are both assumed and up for grabs. I expect the young guests were mainly in it for the free trip to New York, and the studio audience was mainly in it for the brush with television. Yet the discussion they created, the unsettling of categoric assumptions about genders and desires, if only for a few moments in the midst of judgment and laughter, is found almost nowhere else this side of fiction.

The importance of these conversations, both for those who for safety must shut up about their sexual and gender identities, and for those who never think about them, is certainly underestimated. The level of exploitation is certainly not. Like Pedro Zamora, one can keep one's voice for a little while, one finger on the commercial megaphone, until others inevitably step in to claim it for their own purposes. Or one can talk for show, as freak, or expert, or rowdy—limits set by the production strategies within the talk show genre.

Those limits, not the talk shows themselves, are really the point. The story here is not about commercial exploitation, but about just how effective the prohibition on asking and telling is in the United States, how stiff the penalties are, how unsafe this place is for people of atypical sexual and gender identities. You know you're in trouble when Sally Jessy Raphael (strained smile and forced tear behind red glasses) seems your best bet for being heard, understood, respected, and protected. That for some of us the loopy, hollow light of talk shows seems a safe, shielding haven should give us all pause. □

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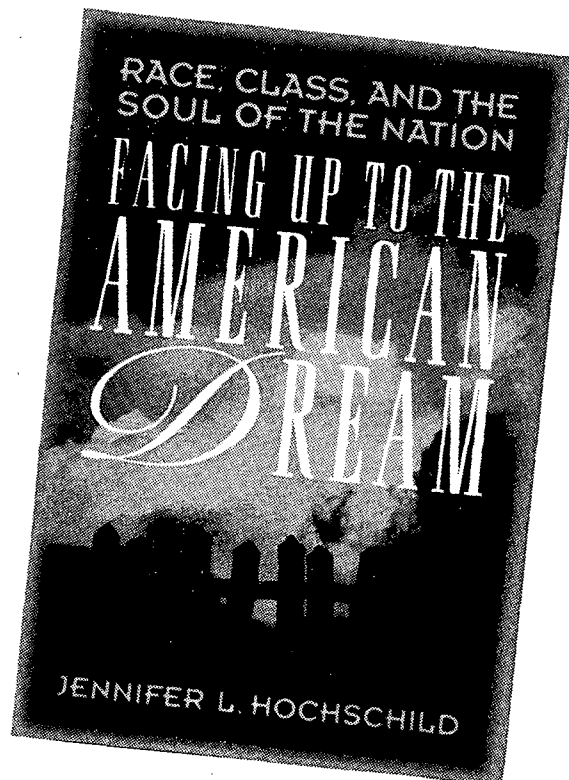
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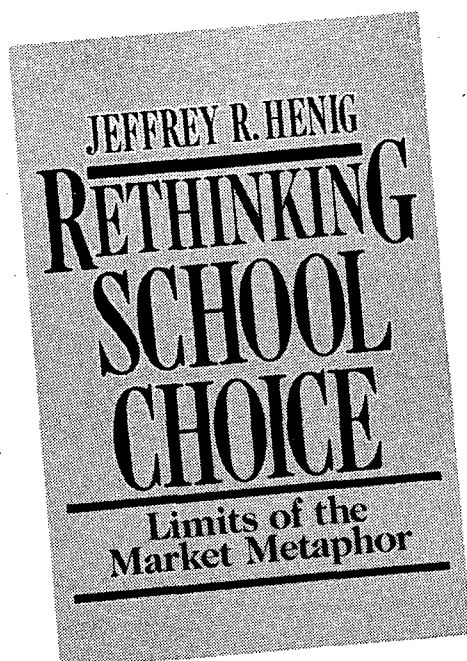
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NICE WORK IF YOU CAN GET IT

THE SOFTWARE INDUSTRY AS A MODEL FOR TOMORROW'S JOBS

BY ROSABETH MOSS KANTER

The requiem for jobs and careers as the American middle class has known them has already sounded. Some purveyors of career advice claim that "jobs" are increasingly obsolete; instead, people will perform tasks on a project-by-project basis under short-term contracts. They liken workers to free agents in professional sports. Or they invoke Hollywood to describe future careers: teams assembled for particular ventures that will readily move on to the next one, carrying their security with them via their reputations and network of contacts.

Hype aside, there is a grain of truth in these images. Today's good jobs are different from those of memory and nostalgia, as I found recently in a national study of local challenges in the global economy. The software and related knowledge industries are inventing a new kind of career with profound implications for the way we work and

live. As companies in these industries must adapt to relentless change, so too must their employees adapt to change in their own work lives. Instead of counting on long-term employment with a single firm, they increasingly depend on their employability by many firms. The shift from employment security to employability security implies a fundamental change in what people should expect from their employers—and how employers should think about their interests and obligations. To be sure, many other industries are not as volatile or growing as rapidly as the software and other technology industries, and not every job will follow the same pattern. But software holds important lessons for other industries undergoing change and may presage the expanding labor markets of the future.

THE SCOPE OF CHANGE

My collaborators and I surveyed 2,655 companies of all sizes and types in five metropolitan areas, interviewed in depth leaders of nearly 100 busi-

nesses and community organizations, and ran nearly 40 2-to-3-hour focus groups with more than 300 workers in diverse companies discussing their reactions to workplace change. Everywhere we looked, the forces for change were similar: intensified competition, use of new technology, and pressures for lower cost, higher quality, and greater speed. Larger firms were consolidating their operations and their supply relationships on a national and even global basis, with grave implications for local purchasing and employment. Smaller ones were seeking partners and joining networks to tap new international markets—or simply to survive. And a majority of all companies reported embracing a new organizational model that involves fewer layers, more use of problem-solving teams, and greater outsourcing—that is, more reliance on outside suppliers for what used to be internal services.

In Boston and Seattle, the two areas in the survey with the highest concentration of technology companies with high-wage jobs, change was the most marked, and the extent especially noteworthy the larger the organization. Unsurprisingly, the most common changes involved closer relationships with customers and accelerated product development (characteristic of almost 65 percent of

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Adapted by the author from World Class: Thriving Locally in the Global Economy (New York: Simon and Schuster, September 1995).

companies); reorganization of work processes was next, underway in 46 percent of firms. Nearly all managers at larger companies reported adding information systems to improve efficiency.

Almost a third of responding companies (31.7 percent) had changed their relationships with suppliers, asking vendors to perform to higher standards and provide more services as companies outsourced them. For a group of 42 larger Boston companies interviewed, the most commonly outsourced activities were low-value-added services such as cafeteria, payroll, cleaning services, building and equipment maintenance, mailroom, security, travel, public relations, child care, training, technical writing, and printing. In addition, eight of those companies used so many temporary workers that they had created their own in-house temp pools.

The remaining workforce faced heavier workloads, greater work pressure, and escalating skill requirements (computers, numeracy, problem-solving skills, knowledge of other functions). Many companies were expecting workers to handle more responsibilities; 30 percent of those in the survey reported they had already reduced supervision and created problem-solving teams, and 44 percent said they were planning to do so. Demands for greater skill were found across industries. Pattern cutters, telephone operators, meter readers, hamburger flippers, and taxi dispatchers were joining factory workers in being expected to use computers. Merlin Metalwork's 30 workers manufacturing titanium bicycles used computers to schedule their work and track performance, just as thousands of operators in Gillette's South Boston plant did.

As a consequence of organizational change, workers in focus groups express great uncertainty about the future. "I don't believe jobs are secure anymore," a limousine dispatcher said. "People in remote locations make decisions that drop the bottom out of the whole job market. That's true no matter what job you have. Someone somewhere else can kill it." When asked what they will be doing in three to five years, most people said they could not think beyond today.

Workers often attribute insecurity to corporate downsizing and failing businesses. But much uncertainty about jobs stems from changing job requirements, and change is associated with successful companies, not failing ones. The extent of workplace change was positively correlated with both sales growth and international market expan-

sion in my survey. Greater use of contingent workers—that is, temps, part-timers, independent contractors—prevails even in companies enjoying employment growth in emerging technology fields. In fact, such companies are especially reliant on contingent employees. A related survey by Coopers & Lybrand of 392 companies identified in the media as the fastest-growing U.S. businesses found that 65 percent of them outsourced, and those 65 percent had revenues that were 22 percent greater than the others.

And now we come back to the Hollywood and professional-sports model of careers. Old-style employment security is declining, but leaders of the knowledge industries say they promise employability security. Employability security is based on a person's accumulation of human and social capital—skills, reputation, and connections—which can be invested in new opportunities that arise inside and outside the employee's current organization. No matter what changes take place, the theory runs, workers who continually improve their skills and can make their abilities known through a network of firms are in a better position to find employment—with the current employer, with another one, or on their own.

Is employability security just a theory? It seems like a pipe dream to people with obsolete skills in declining or slow-growing industries, who face greater risks without corresponding opportunities. But to knowledge workers in growth industries, it represents reality.

The modern incarnation of this labor market has its roots in high-technology areas such as Silicon Valley and Boston's Route 128. In Silicon Valley, as Annalee Saxenian shows in her book *Regional Advantage*, professionals think of themselves as employed by the industry, with careers that typically extend across many organizations. Changing employers is so common that professionals may identify their interests more with the project and the industry than with the particular firm where they happen to be. Such regional networks now

A new kind
of career may
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exist in many different industries across the country. For example, according to UCLA management professor William Ouchi, now chief of staff for Los Angeles Mayor Richard Riordan, 4,500 multimedia companies in Los Angeles act as a network of overlapping projects in which people and ideas move from node to node.

SOFTWARE GYPSIES

The software industry represents a fully developed example of the new career model, offering potential solutions to the problems of contingent jobs. It is important because of its centrality to the information economy; computer programming is the fastest-growing large occupational category. Software production, a growth industry, spans traditional industrial categories: classified with service industries, yet manufacturing packaged products. Nationwide, the industry employs about 2.5 million people. In Massachusetts alone there are over 1,800 software companies employing more than 62,000 people, with another 33,000 working in software units of computer hardware companies and a comparable number in software-based telecommunications network equipment companies. Almost a third of those employed in software do what can be broadly described as "knowledge creation."

To respond to rapid change and cutthroat competition, software companies need constant innovation, and that means constant workplace flux. "This is war, make no mistake about it," one executive observes. So the future of any job is highly uncertain. ISI Systems, which says it was "a virtual company before anyone ever used the word," produces insurance-processing software. In a chain typical in knowledge industries, large insurers contract with ISI to do claims processing, and ISI in turn outsources its data center. Rather than adding permanent staff, ISI prefers to use "consultants" (read temps) for six or nine months at a time when business builds up, to avoid having to lay off staff during slower periods.

At Powersoft, which manufactures client-server programming tools, development and support staffers recognize that the company's success depends on constant improvement, even if that means that "every three days we're changing the rules." This turbulent environment creates cross-cutting pressures—at one time, for example, layoffs of people without transferable skills in a unit shutting down and a hectic search for people to build

new development operations. "I was firing people in the morning and hiring people in the afternoon," recalls Traci Weaver, who heads human resources.

To maintain flexibility, Powersoft has an in-house temporary employment department, Powersoft Temps, for about half the temp pool the company uses. This gives Powersoft control over quality and fosters longer-term relationships with contingent workers. During a recent new product release, for example, 20 temps worked for a month entering data, taking orders, and sending out invoices. Some eventually got regular jobs.

Despite great uncertainty, people at Powersoft sound eerily like manuals for the new self-reliant career, though this is not a young or inexperienced crowd following the latest hip career cliché. The average age is 35, and everyone we met had worked for other companies, giving them a reference point for their reactions to Powersoft. They talk about "earning the right to come back" because "no one is owed a job; sorry, pal." They report that the challenge of a demanding technology provides "unparalleled opportunities to grow within myself." They applaud each other's dedication, joking about the long hours.

For example, when a senior manager in one of my focus groups referred to an "ethic that is far and above 8-to-5," a colleague quipped, "Only a half-day?" The first replied, "That's 8 p.m. to 5 p.m." Another chimed in, "This is like a poker game. I'll see you your hours and raise you." Then a fourth made a serious point: "In this environment, second best just doesn't cut it. We all challenge each other. The long hours aren't because we want to outshine everybody; we want to keep up with everybody."

Experience has taught people not to count on the company but on their ability to move. It's not that they want to be gypsies; most want to settle down. "It's an exciting environment, which makes you very attached to the company," a professional said. "You spend so many hours that it's hard to cut those roots and move on." But they will move if they have to. "I was at Digital when it was a fun place; I was at Prime when it was a prime place to work," another employee recalled. "Both times I got out before it was fashionable. I wouldn't hesitate to jump again if I see lifeboats being lowered."

Powersoft's people agree that the next years are highly uncertain, but they imagine a variety of pos-

sibilities with no ceilings or barriers. One group of professionals bantered about who would take whose job and who would be president someday. Workers further down the Powersoft pecking order can also dream about a future doing something different that uses the learning in which they are investing; for example, the frontline technical support staffer who thinks he'll be in a better job because he's also a part-time instructor at a local college, or the clerical worker who wants to go to any Powersoft overseas office. They say that it is their own choice whether to stay or leave. Several said they hope they *want* to be at Powersoft in the future.

PRODUCING EMPLOYABILITY SECURITY

Employability security in the software industry is built around four factors. These are characteristic of successful high-technology firms and increasingly important for competitiveness in all high-wage industries.

Innovation for world markets. Many software companies share a goal of innovation on a world scale. Ever-shorter lead times in software mean that only the best survive; the competitive edge comes from setting world standards to leapfrog competitors with products that cross borders easily. "Technology is a global business," one CEO said. "We must get critical mass around the world faster and faster to become a standard. Competitive leads last a very short time. The minute you poke your head out in the leadership position, everybody is after you." For this reason, Lightbridge's incentive compensation plan for the entire staff includes bonuses for innovation as well as customer satisfaction and system performance.

Very new and very small companies are born global. The MathWorks, a company with nearly 300 employees, was international in scope from its founding in 1984. An early user of the Internet to make worldwide connections, The MathWorks developed some of its products through international collaborations. Product features and extensions were developed by independent professionals in Sweden, France, and South Africa.

International reach is now a necessity even to sell products at home. Powersoft, for example, must support corporate customers wherever they are. Powersoft began selling overseas as soon as its first major product was ready in 1990; by 1994, it

had distribution joint ventures in 44 countries. World markets also provide a large customer base and a hedge against business cycles at home. And meeting or setting world standards means that people will be highly desirable to other companies. Product or project success is more important than company success. One experienced software gypsy, now a manager at a \$50 million venture, reported, "The thing I always tell everybody is that while we want our company to succeed, more importantly, we want the platform that we're running on to succeed. So if this company crashes and burns, we can go somewhere else and leverage what we did here." In short, workers in software want to make sure that their knowledge is transferable.

An emphasis on learning. Rapid technological change poses a challenge: how to ensure that new knowledge constantly enters the organization and that people have skills for both today's and tomorrow's work. Without new knowledge, software companies fall behind. Unless they are continually encouraged to learn, employees become obsolete with each new technological wave. An ISI marketing manager reported that customers "are not buying today's system, they're buying the system as it goes into the future. So therefore what we really offer is what's in the brains of the people you see wandering around this building."

Software executives recognize these imperatives. Lightbridge, founded by Pam Reeve in 1989 and now employing 430 people, includes the desire to be a "learning organization" as one of the "organizational first principles" in its mission statement. Managers set goals for education, and the company offers abundant courses in project management, time management, and software development techniques as well as featuring a large library, unusual in such a small company. The culture encourages dissemination of new information within the firm. Like others in the industry, Lightbridge has a full tuition-reimbursement program. Performance reviews ask employees to specify what they plan to do to expand their abilities.

Similar practices characterize Lau Technologies, a \$50 million custom electronic systems manufacturer founded by Joanna Lau when she and other employees bought out their unit of a stagnating defense contractor. Twenty-one of the 209 employees own the company, and 48 others participate in a profit-sharing pool. Lau's associates feel their advancement depends on their own commitment

to improving their skills and using them. Employees receive seven days of total quality management training, extensive technical training in electronics and computers, and full tuition reimbursement for outside courses. They are cross-trained to perform multiple tasks, and managers conduct an annual training analysis of each employee and develop customized programs based on employee preference. And there is "buddy" training, in which a master trainer in each field trains others. Slow periods between contracts are used for worker training. Spending money on training assuages employee fears; it is a sign that Lau expects continuing work.

Company self-interest in "having the latest technologies within our grasp," as an executive put it, merges with individual interest in having marketable skills. Companies want software workers to become industry experts who can support customers that use other application software; Hewlett-Packard ads tout its staff's ability to work on any other company's equipment. Firm-specific knowledge may be less important to job success than broad knowledge of many companies' offerings.

Flexibility and empowerment: reward for initiative. Often no more than buzzwords, flexibility and empowerment take on meaning in software companies where people feel they have some real control. ISI has long encouraged flexible hours. Managers can authorize any schedule and do so for people whose knowledge is valuable—for example, having a new mother work two days a week, or giving a PC to a woman moving from Massachusetts to North Carolina with her husband so she can remain full-time on the ISI payroll. At Powersoft, employees can design their own three-day, four-day, or five-day altered-schedule work weeks and can work from home, linked through company-supplied computers, electronic mail, and fax machines. Most human resource staff work at home at least half the time, including a full-time recruiter who spends evenings talking with prospective hires after their work hours.

Rewarding entrepreneurial initiative helps both employer and employee. New ideas help the company improve and help the person gain a reputation, rise to leadership, and invent new opportunities. FasTech Integration, a producer of networking software, encourages employees to identify new projects; if a project is accepted, the employee, regardless of formal level, can become the project

manager—in FasTech jargon, the "DRI" or "designated responsible individual." In the last year, almost a third of its 125 employees took on such opportunities.

Company and industry networking. In software, as in other high-tech fields, rapid technical change produces complex relationships among organizations. Development projects spill across organizational lines, and engineers and managers find their careers enmeshed in more than one firm. A job for one company may be managed by another; training may be done by still another organization; and people working in several organizations may assess an employee's performance. As partnerships and project teams change, people become acquainted with organizations outside their own. Sociologists Arthur Stinchcombe and Carol Heimer argue that such organizational interdependencies improve workers' chances to find future jobs.

Numerous ties with development partners, marketing allies, and industry collaborators not only improve the products of software companies; they also allow small start-ups to recruit or tap sophisticated talent. Echoing a common theme, Joe Alsop, the CEO of Progress Software, attributed the company's rapid growth to alliances. Outstanding people were willing to take a risk with a start-up because of the connections they would get with leading companies in the industry.

FasTech Integration's development partnerships and marketing relationships have been critical to its success. With 125 people, the company is far from a giant, but its reach extends to tens of thousands of people working in its interest at the biggest firms in computing as well as at dozens of "ISVs"—independent software vendors. External collaboration is widespread in software because products are more appealing when they work easily with programs from other companies, and each company's reach is greater when it can tap into many distribution and support networks. No one single company, not even Microsoft, can provide users with all the services and applications they want.

Powersoft, for example, has 200 partnerships with complementary companies to integrate its PowerBuilder tool with other programs. Big names in computing—IBM, Digital, Novell, Hewlett-Packard, Microsoft, Oracle, and Knowledgeware—are partners as well as competitors.

For marketing, Powersoft has partnerships with almost 100 resellers affectionately known as "power channels"—consultants, systems integrators, and project developers in the client-server industry, which together account for 55 percent of its North American sales. Dun and Bradstreet alone has 600 developers working on PowerBuilder applications.

The industry's formal associations are another source of local connection-making and job referrals. In 1985 the Massachusetts Computer Software Council was formed by two entrepreneurs to promote the industry domestically and internationally. Today the Software Council runs 27 meetings a year for its 300 companies on international opportunities, legal issues, sales and marketing strategies, or CEO-to-CEO advice; it also has its own rock band.

The Software Council serves as a job broker as well as industry booster. Its fellowship program is a public-private partnership with MassJobs to retrain seasoned professionals who have been laid off from hardware, defense, or electronics companies and place them in five-month work assignments in software companies. Resumes and testimonials about each candidate are then circulated throughout the network. For example, Zena Thomas, former project manager and systems analyst at Wang Laboratories, took an assignment as quality assurance consultant for Relational Courseware of Boston; another Wang veteran, Sandra Hayes, created a company identity and marketing materials for Coptech.

Many companies report that they take advantage of local industry networks to identify good people and ideas through contact and conversation among companies, facilitated by the Software Council and led by CEOs. "I am Powersoft's chief schmoozer," Powersoft's founder and CEO Mitchell Kertzman says. So much industry "schmoozing" takes place that some software veterans complain it eats into their private lives. But the result is that people employed in software see their career routes extending throughout the industry. Employability security derives from relationships outside the company issuing the paycheck as well as from performance within it, and it is a matter of industry organization as well as personal enterprise.

LESSONS FROM SOFTWARE

This version of the future is alive and reasonably

well in software, telecommunications technology, multimedia, biotechnology, and health technologies—wherever brains power the enterprise and workers think of themselves not as employees but as professionals temporarily linked to a particular company and someday entrepreneurs founding their own. Blurring of traditional distinctions might characterize many jobs and careers of the future. People might be workers one day, perform management tasks the next, and run their own businesses on the side.

But this model comes with limits. It is not surprising that people feel good in software today; they can joke about contingent careers because the jobs exist. The industry is growing rapidly, and American companies dominate world markets. The industry doesn't depend on many fixed assets; people and their ideas are primary. The need to attract those with the latest knowledge makes it easy for talented professionals to feel there is always another opportunity if the current job doesn't pan out. Playing with computers is a young person's game, and the young are often convinced the future will take care of itself; Apple reached a billion dollars in sales before it had a pension plan. Furthermore, the boom in software arose as hardware manufacturers hit hard times; exiles from moribund computer companies are grateful for a job and not picky about whether that job leads to a secure career or whether they will be on the street again at age 55. Hollywood-type careers work fine until one is a fading star.

The industry is still in an entrepreneurial phase characterized by easy entry and a large number of business start-ups, many still invisible to the public. Marketing channels are relatively open; even my teenage son has started a software development business and sells programs through the Internet. But what happens when the industry matures and consolidates? Sybase's acquisition of Powersoft early in 1995 for \$904 million in stock, one of the industry's largest deals to date, was dwarfed just a few months later by IBM's \$3 billion acquisition of Lotus. Will loose networks be replaced by big bureaucracies? What will this do to the primacy of people? Unlike major-league ballplayers and movie stars—whose work lives have become metaphors for the new career model—software talent is not represented by unions or agents. People might be in a weak bargaining position with giant companies, and even more vulnerable when they are not engineers

and programmers but telemarketers or production workers that shrink-wrap software packages.

Yet, as contingent employment spreads, the software industry offers useful ideas for labor market policy even in older industries. More companies can be encouraged to emulate practices of software companies that are, after all, just reflections of progressive human resource policies long characteristic of older high-tech success stories such as Hewlett-Packard. At many firms, however, there is much more talk than action; not enough reach the Hewlett-Packard standard. One aerospace company that benchmarked its training hours against Hewlett-Packard, Motorola, and others known for education found that it had offered less than half of what the progressives did and that its training had been pegged more to job changes than to continuous learning. Many companies limit training to classrooms at infrequent intervals, instead of using the full panoply of on-the-job learning practices of Lau Technologies or the rapid communication of new ideas via e-mail and frequent workplace meetings common in software companies. To convert "training" (doing something to the person) into "learning" (a constant reaching out for new knowledge) requires embedding it in the workplace.

To serve the workforce beyond a few progressive high-tech firms, public policy needs to encourage continuous upgrading of skills. Training is in the interest of the firm—but not just the firm. Because of the increased mobility of workers among companies, training is a general resource for an industry and region. The divergence between the interests of individual firms and society's broader interest in a high-skill workforce is a classic example of the rationale for public action. The more we rely on employability security rather than long-term employment by a single firm, the more important such social support for training and education become.

National and regional policy should also encourage (although not directly finance) the development of networks of collaboration that help workers as well as firms. Local collaboratives, such as the Peer Learning Network in Nashville, help companies offer training, compare best practices, share success stories, and provide internships across the network. Civic or industry associations such as Chambers of Commerce can help form the networks, with local universities and the community supplying educational programs. The primary movers here should be companies and local indus-

try associations that permit a flow of people and ideas. Companies can view their network of suppliers, customers, and venture partners as a resource for learning, personnel exchanges, or job placements. For example, a prominent large manufacturer that works with suppliers as partners has now started to ask some of them to take on workers temporarily as an alternative to layoffs. Support for internal and external entrepreneurship—new ventures and spin-off businesses around promising ideas that the established company cannot use—can help people create their own opportunities for employment.

The software model encourages employers and employees alike to think globally. In every industry I know, people now recognize that they have to think more globally, innovating to world standards. Even the U.S. apparel industry is enjoying something of a comeback after being driven out of business by low-wage Asian and Caribbean competitors. Smaller niche apparel companies in the U.S. now flourish through innovation, global thinking, sophisticated applications of technology, and very close relations to a few large customers for whom they promise quick turnaround and customized products manufactured to very high-quality standards. When companies grow outside of their home market and set world standards, local workers can benefit—like the Nynex telephone installer who told me that the thing he likes best about the company is its operations in England, not because he would be sent there but because he felt his future is more secure in a company expanding internationally. While some workers blame the global economy for workplace changes and fight against it, software professionals believe that their employability is enhanced by the strength of their company—and of the American software industry—in global markets.

Software and its sister knowledge industries should show us, above all, that employability is not just a matter of individual skills and education. It also rests on institutional factors, especially on industries that are highly organized and networked, to permit a flow of people across opportunities. Training alone does not produce it, nor can individuals be expected to innovate their own way into good jobs unless companies have built their own network of collaborations and created an environment that rewards initiative. □

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RISING TIDES, SINKING WAGES

BY LAWRENCE MISHEL

The economy seems to be in great shape. The growth rate in 1994 was a brisk 4.1 percent. Unemployment has been hovering at about 5.5 percent, well below the 6 to 6.5 percent level that many economists (wrongly) consider full employment. Job growth has been so strong that President Clinton's campaign pledge to create eight million jobs may well be fulfilled in the third year of his first term. Corporate profitability has reached postwar records. The stock market is booming. Inflation is nowhere to be found except in the imagination of central bankers and bond traders.

We are also witnessing a revival of productivity growth and a celebration of America's renewed competitiveness, as U.S. products close the quality gap with imported goods and unit labor costs continuously fall relative to those of other advanced countries. Some analysts feel that our productivity growth is so strong and the promise of computerization so great that we are on the verge of a new, golden economic age.

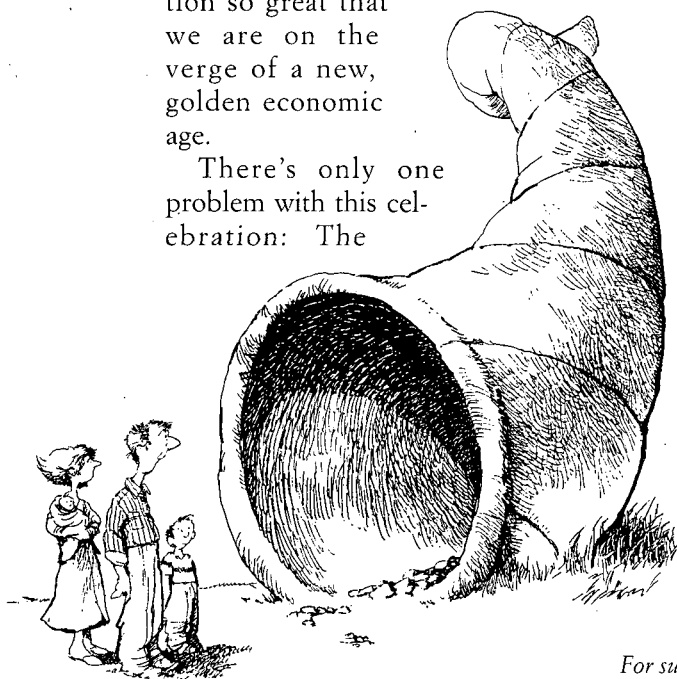
There's only one problem with this celebration: The

living standards of the broad middle class have remained in continuous decline despite the robust aggregate performance. This recovery has demonstrated that improved competitiveness, productivity, and overall economic growth do not necessarily translate into improved incomes for most families.

DOWN THE UPSWING

In the 1980s, family incomes were stagnant. Only the continued rise in two-earner families prevented a significant erosion in middle-class incomes in the face of declining real wages for men. Meanwhile, poverty grew at the bottom end while income and wealth soared among the top 1 percent. In a decade, all of the postwar progress toward greater equality was reversed.

In the 1990s, income trends have been



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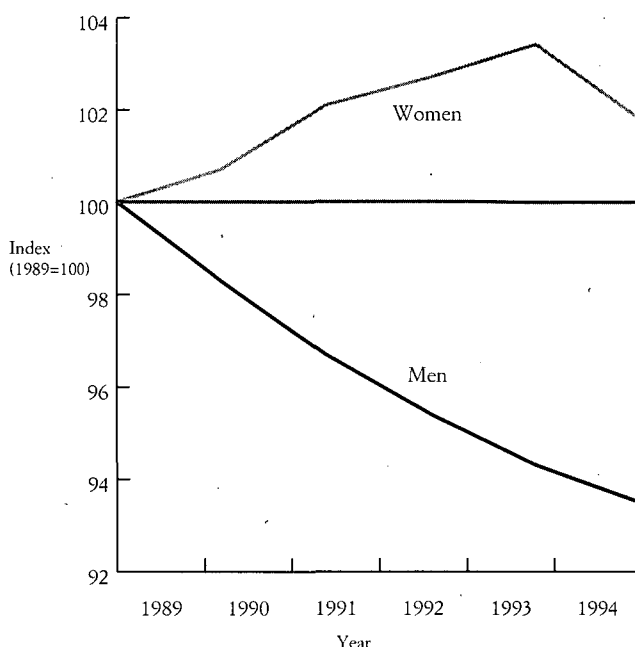
even worse than in the 1980s. Median family income fell in every year from 1989 to 1993, the last year for which the Census Bureau has released family income data. This was the only time in the postwar period that incomes fell four years in a row and the first time that incomes fell during the first two years of an economic recovery. By 1993, the median family's income was down \$2,700, or 7 percent, from its 1989 level of roughly \$40,000. It will take five to eight years of steady growth to recoup these income losses—not a likely event. The economy also set records for the breadth of income deterioration as incomes steadily fell among the bottom 80 percent of families from 1989 through 1993.

While complete data on household incomes are not yet available, it is very unlikely that these trends have improved since 1993. The real median weekly earnings of men who work have been falling since 1989, including from 1993 to 1994. (See chart at right.) Even women's median earnings, one of the few bright spots in the 1980s, dropped in 1994. The available wage data from early 1995 suggest that wages for both men and women have continued to lag behind inflation over the last 12 months.

Part of the problem is that the rate of return to capital—profits, interest, dividends—has surged to postwar records and thereby dampened wage growth. The larger part of the problem is that the continuing growth of wage disparities has demonstrated that even though average productivity and average wages may be increasing, the wages for the vast majority can still be falling. (See “Working Harder for Less,” page 63.) Productivity (output per hour worked) has grown 25 percent since 1973, a weak performance by historical standards, but quite enough (about 1 percent a year) to enable all workers to achieve real wage growth. In fact, average hourly compensation has roughly tracked average productivity, at least until recently. But that “average” is composed of a small part of the workforce at very high pay whose earnings are increasing while the bottom 80 percent see their pay falling.

WAGES SINCE 1989

Median weekly earnings of full-time working men have fallen steadily since 1989, while women's median wages—a bright spot in the 1980s—dropped in 1994.



Hourly compensation of the median worker was stagnant over the 1970s and 1980s and has been declining in the 1990s. The median male has seen his hourly compensation fall 1 percent annually since 1979.

CAUSES OF WAGE INEQUALITY

Growing wage inequality is not the inevitable consequence of technological progress. Most wages have been falling despite rising productivity for one simple reason. Workers—union and nonunion, college- and noncollege-educated, white-collar and blue-collar—have lost bargaining power relative to their employers. Corporate America today has the power to respond to increased domestic and global competition by cutting labor costs. Public policies have generally accommodated or reinforced this effort, by failing to pursue full employment, fair trade, higher minimum wages, or renewal of the labor movement.

The failure of rising productivity to raise living standards is something new in the postwar American experience. As Lawrence Chimerine of the Economic Strategy Institute points out, virtually every macroeconomic model has been predicting far faster wage growth than ever materializes. At the peak of an economic recovery, one expects workers to be able to approach their bosses with propositions such as "I need a 5 percent wage increase or I'll get another job." This has not been happening in the current business cycle, even among the managerial-professional workforce whose unemployment is only 2.5 percent. The steady growth of temporary employment, which accounts for about 15 percent of job growth in this

Early 1995 saw the lowest compensation growth in two decades.

recovery, and the continued use of other forms of contingent work indicate that broad segments of the workforce have little power to shape their terms of employment. According to the Bureau of Labor Statistics (BLS), early 1995 saw the lowest compensation growth in two decades. This must

be a curious phenomenon for our central bankers who have been doing their best to slow the economy lest wages accelerate and inflation take off.

In our recent book, *The State of Working America, 1994-95*, Jared Bernstein and I attribute growing wage inequality primarily to two clusters of factors, each of which can explain about one-third of the phenomena.

Globalization and Service Employment. The combined effect of globalization (including the trade deficit, low-wage competition, immigration, and foreign direct-investment trends) and the continued expansion of employment in the lowest-paid portion of the service sector together explain at least a third of the wage problem. BLS attributes 25 to 30 percent of the growth of wage inequality to sectoral shifts in the pattern of employment alone. In addition, import pressure has lowered wages for many middle- and low-wage industrial workers, and undercut the wages of workers generally. Only a few ideologues in the economics profession, particularly near important congressional votes on trade policy, deny that expanding trade significantly depresses wages for noncollege-edu-

cated workers.

These factors are all influenced by policy decisions—by omission or commission. For example, the shift to service employment would be far less consequential if health care and pension benefits were not so tightly linked with one's particular job but were universally provided. A service-sector job would not be a sentence to wage reductions if America had stronger unions, or fuller employment. The wage disparities between manufacturing and services are far smaller in other industrial countries where market forces have less free rein.

An Institutional Collapse. The other prime culprit is the weakening of labor market standards and institutions that empower workers. The erosion of the minimum wage, a nearly 30 percent drop in value from its 1979 level, has particularly affected wage levels of working women. Deunionization and the weakening of union bargaining power has had a particularly adverse effect on noncollege-educated men. This erosion of wage-setting institutions can explain roughly another third of the recent wage deterioration among workers. Other factors that are harder to quantify have also had an impact: deregulation, privatization, and the growth of contingent work—and these also reflect the policy climate.

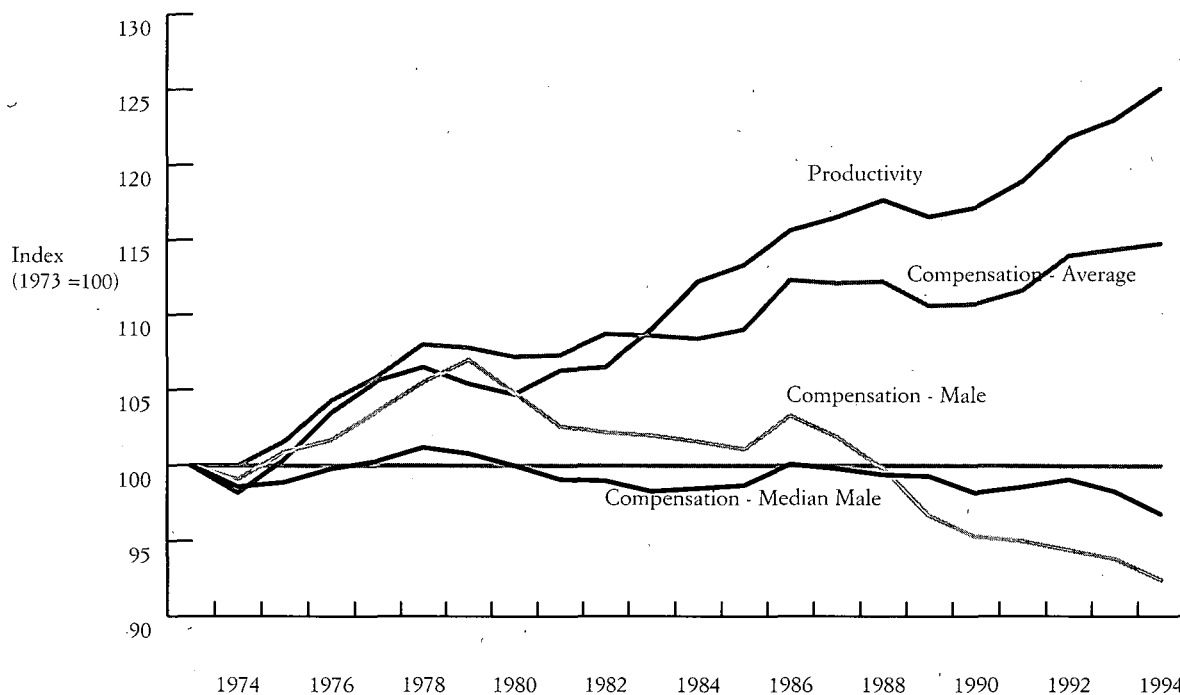
MYTHICAL ORIGINS

Big government is a popular scapegoat for the erosion of living standards. The Republican House Majority Leader, Dick Armey, has claimed that people are working harder and getting less because the government is taking a bigger bite out of their paycheck. In reality, it is pre-tax pay that has collapsed. According to the Congressional Budget Office, the effective federal tax rate on the middle class was stable or declining in the 1980s.

Moreover, the projections for 1995, which include all of the effect of the early Clinton budgets, show tax rates declining among the bottom four-fifths while rising among the best-off fifth. Even the conservative National Tax Foundation reports stable tax rates over the 1980s. If anything, government was stable or shrinking—as measured by shares of total employment or expenditure or by regulatory costs—since 1979 when the wage implosion originated. Unfortunately, according to a recent *Business Week* poll, the public seems to believe the big government, high taxes story. This only proves that "Big Lies Frequently Told in

WORKING HARDER FOR LESS

It's true that productivity and average wages are increasing, but the wages for the vast majority of Americans are still falling.



Many Forums" is still an effective communications strategy.

A related, and disingenuous, claim is that large fiscal deficits are the cause of income problems. At most, deficits may be a factor if they somehow eroded investment and thereby productivity growth. But, we have already seen that the productivity growth that did occur was not shared with most workers. Even more damning is that the productivity slowdown preceded the era of large structural fiscal deficits by nearly ten years. The claim that fiscal deficits have shrunk workers' paychecks is without foundation.

Among economists and editorial writers the most widely cited explanation of widespread wage deterioration and growing wage inequality is that technological change has raised the demand for skills so that the wages of more highly skilled and educated workers have been bid up and the wages of other workers have suffered because there is less demand for them. Curiously, economists also acknowledge that there is very little direct evidence for the technology story and that their belief is

based on eliminating competing explanations and putting a technology label on what they cannot explain. (See David Howell, "The Skills Myth," *TAP*, Summer 1994.)

It is implausible to rely on an explanation that describes three-fourths of the workforce—those whose wages have been declining since 1979—as "low-skilled." It is hard to imagine the "bidding up of skilled workers' wages" as an apt description of a process that has lowered the real wages of male white-collar and college-educated workers continuously since 1987. To believe the technology story, we must also believe that a technological revolution is dramatically affecting our wage and employment structures but somehow fails to raise productivity growth enough to improve living standards. And, of course, technological change in the workplace is not new. For the technology story to make sense, technology has to have had a greater impact on labor markets in the 1980s and 1990s than in earlier periods, either through a faster rate of introduction or due to new types of technologies. My recent research with Jared Bernstein has shown that no

such "acceleration" has taken place.

Absent strong countervailing forces, we should expect wage inequality to grow and wages to continue to fall for large segments of the workforce. Conceivably, productivity growth could accelerate so significantly that even smaller shares of a larger pie would mean more pie for all. But this hope rests primarily on conjectures of an eventual payoff to computerization so huge that it would offset all the pressures leading to increased inequality. Put me down as a skeptic.

A second possibility is for so many new college graduates to enter the labor market that college wages fall relative to those of non-college-educated workers. This is an unlikely scenario because, even though a greater proportion of young adults are completing college, the size of the college-going-age cohort is shrinking, limiting the absolute growth of college graduates. A more plausible scenario is that wage inequality continues to grow or, *at best*, stalls.

BACK TO POLITICS

In any event, nothing in the Republican economic program will reverse or forestall continued wage erosion and the accompanying pressures on family incomes. The macroeconomic effect of balancing the budget and reducing the deficit will be to slow economic growth over the next ten years. Any long-term effect of deficit reduction on productivity is uncertain, slight, and at least a decade away. Clinton's Council of Economic Advisers estimated the payoff for their very sizable deficit package at two-and-a-half percent more consumption after twenty years, without considering the income losses from the initially slower growth. The Republican growth program of deregulation and tax reduction will, at best, increase jobs and productivity slightly but do nothing to upgrade the quality of jobs or to translate productivity growth into broad-based wage gains.

The issue of wage growth will thus be with us for a long time, and it is time the nation and politicians started focusing on it. We will not make progress unless we can sustain the necessary condi-

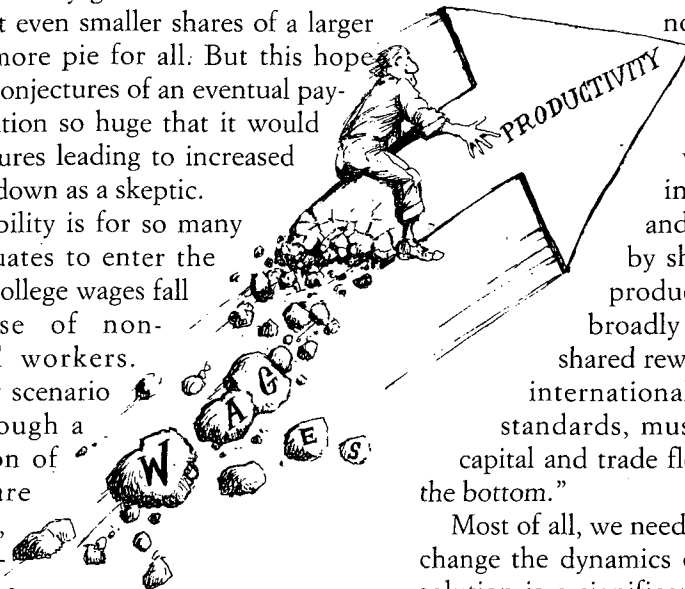
tions for wage growth. That means the Federal Reserve Bank must adjust its views of the "natural" rate of unemployment and cease creating a recession at the first signs of robust growth. Public investments in skills, infrastructure, and technology are in order to main-

tain productivity growth. The character of growth must change as well. Public policy needs to inhibit financial speculation and corporate strategies driven by short-term profit, in favor of production strategies that rely on broadly skilled workers and widely shared rewards. Trade policy, including international labor and environmental standards, must be used to shape global capital and trade flows and inhibit the "race to the bottom."

Most of all, we need to re-empower workers and change the dynamics of wage setting. Part of the solution is a significantly higher minimum wage, which will greatly help the bottom half of the income distribution. Another part is to enable workers to choose unionization and collective bargaining, especially in the service sector where a wage push from below may be our only hope for forcing employers to become more efficient and to generate productivity growth. New forms of representation, such as works councils and occupational associations, may be needed to achieve a wider empowerment of workers. Greater economic security through training and education, along with greater health security and pension mobility are valid policy in their own right, and can also help change the dynamics of wage bargaining.

Understanding these income problems is key to understanding the current shredding of our social fabric as well as the elections of 1992 and 1994. Moreover, policies to regenerate broad-based wage growth may be the key to political success in 1996 and beyond. In fact, this theme is already central in the rhetoric of Secretary of Labor Robert Reich and House Minority Leader Richard Gephardt.

However, before we can pursue appropriate remedies, we first need broad agreement that the erosion of living standards is a problem—indeed, the problem—that can be addressed through policy. That recognition, unfortunately, is still almost totally absent from political discourse. □



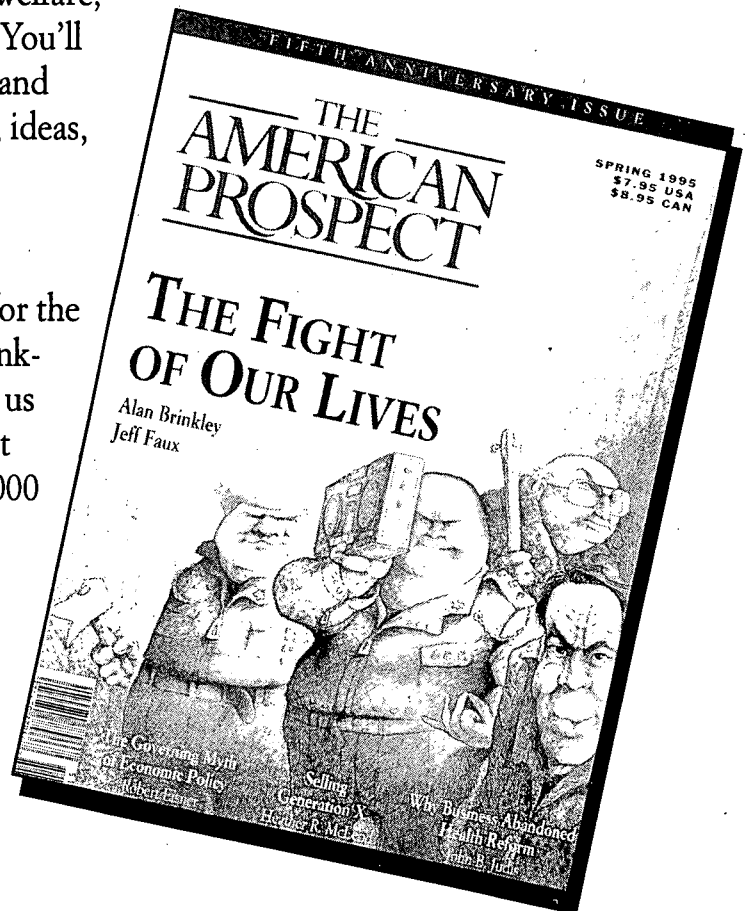
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AFTER THE REPUBLICAN SURGE

STANLEY B. GREENBERG

Most Democrats have a hard time being optimistic these days, and it's easy to understand why. The 1994 midterm election produced a swing to the Republicans and a new nationalization of politics that undercut Democrats who had survived in Republican districts and states. A review of polling data suggests that a conservative surge was in evidence as early as mid-1993, as ideological conservatives mobilized against the national Democratic government and its agenda. Three groups in particular—evangelical Christians, lower-income voters, and seniors—rushed to the Republicans, shifting the electoral balance against the Democrats.

But for those able to see through the smoke of battle, there is reason for hope. The conservative surge was a reaction to the defining first year of the Clinton presidency. This is a different moment, and there is plenty of evidence of emergent disillusion with the Republican agenda, leaving Democrats positioned to reclaim many of the voters lost in 1994. Downscale and older voters, the shock troops for the Republican surge, find themselves first in the line of fire and taking heavy losses. More broadly, voters have pulled back from the Republicans on a wide range of issues—welfare, education, the environment, and Social Security. Voters who were hopeful about Republican rule are now increasingly unsure and split on whom to trust, the Republicans in Congress or the president. The challenge for Democrats and progressives now is to rise to the new political moment, find their voice, and mobilize the emergent reaction.

The election of a unified national Democratic government in 1992 set off battles that produced an enlarged, energized, politicized, and mobilized conservative bloc. This historic conservative Republican surge swept away many Democrats who stood in the way and gave Republicans control of the Congress and many state governments. Although the results were felt in

November 1994, most of the surge occurred during Clinton's first year. In the face of national Democratic governance, a reaction took hold among ideological conservatives, committed Evangelicals, and Republicans who nationalized their votes. The party balance among voters across the country hardly changed, but conservatives grew more unified and emboldened.

In elections prior to 1994, many moderate and conservative voters supported Democrats for Congress even though they sometimes backed Republican candidates for president. In 1994, Republicans succeeded to an unprecedented degree in nationalizing the election. In congressional districts with a Republican presidential majority, voters held accountable incumbent Democrats who had aligned themselves with the national Democratic politics of the Clinton era.

These Democratic office holders stood undefended. The national struggles around the Clinton agenda failed to rally the left or center, and a large bloc of noncollege-educated voters stayed home.

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This article is based in part on surveys Greenberg Research conducted for the Democratic National Committee. Poll results without citation are based on those surveys.

The sense of movement of the Democratic agenda by the end of 1993 concealed the gap that was emerging between Democratic leaders and the potential Democratic popular bloc. When gridlock took hold in 1994, that gap left many potential Democratic supporters disengaged. The Democrats paid a very big price at the polls.

The turn to the conservatives in 1994 proved particularly costly to Democrats because of its socioeconomic character. The surge undercut Democratic support among lower-income, noncollege-educated voters as well as among older voters. In that first year, the national discourse shifted from material concerns that historically have rallied Democrats, such as the economy and jobs, to “values” concerns, such as crime and moral decline. Along the way, the country grappled with a range of issues—including taxes, Medicare cuts, gays in the military, NAFTA, and gun control—that together created a populist and cultural gap that helped push the Democrats away from their broad working- and middle-class base.

The conservative surge, however, was specific to a particular political moment—the battles of the early Clinton presidency and a unified Democratic government pursuing change. The limits of this surge were already evident last year. This is a new moment with a unified Republican Congress pursuing change. The battles of the day center on their governance and vision, and the developing reaction suggests a possible swing back to the Democrats.

THE ANATOMY OF THE CONSERVATIVE REACTION

During the first two years of the Clinton presidency, the number of people calling themselves “conservative” grew about 7 percentage points. Conservatism also took on increased political meaning. According to the 1994 exit polls, 80 percent of conservatives voted Republican for Congress. Even at the highest point of Ronald Reagan’s popularity in 1984, only 69 percent of conservatives proved that partisan. The 1994 election brought a conservative growth and unity behind Republican candidates unequaled in our time. (See “The Conservative Tide,” right.)

Between 1992 and 1994, self-identified conservatives became much more polarized in their ideological thinking. In 1992, conservatives gave “conservatives” a score of 63 degrees on a thermometer scale that ranges from 0 (unfavorable) to 100

(favorable). But a year later the temperature had risen 7 degrees to 70; feelings about liberals dropped 9 degrees in the same period. By contrast, the liberal and moderate blocs seemed sidelined, as

THE CONSERVATIVE TIDE

Growth in the conservative bloc during the Clinton presidency

Polling organization	Percentage point gain
Voter News Service exit polling	+ 7
Greenberg Research	+ 9
NBC- <i>Wall Street Journal</i>	+ 8
CBS- <i>New York Times</i>	+ 3

the battles of the day failed to engage them. All the elevated political energy was on the conservative side. (These results are based on work by Samuel Popkin at the University of California, San Diego.)

Conservatives comprised 70 percent of Republican identifiers and that conservative energy likely accounts for the unique increase in the conservative-Republican turnout in 1994. A survey by Times-Mirror found that 55 percent of the likely electorate intended to vote Republican—8 points more than for the registered population. In 1992, the gap was only 2 points. A large-scale Gallup survey confirms the turnout pattern: Republicans comprised 34 percent of actual voters, but only 24 percent of the nonvoters; conversely and ominously, according to CNN-USA *Today* polls, Democrats comprised just 32 percent of the voters but fully 44 percent of the nonvoters.

While conservatives were being mobilized, energy was being diffused elsewhere on the ideological spectrum. The Democratic Leadership Council’s (DLC) postelection survey found that last year’s nonvoters—people who stayed home but who had voted for president in 1992—were largely noncollege graduates under 50 years of age. They were disproportionately downscale Democrats who

strongly favored Democratic congressional candidates to Republicans. Unfortunately, they were not sufficiently energized to vote.

A conservative swing within two broad groups, committed evangelical Christians and lower-income voters, produced the conservative surge. A surprising defection of older voters also played a significant role. A closer look at these groups tells us a lot about the character of these political developments.

Committed Evangelicals. These voters constitute about 10 percent of the electorate; about half of them live in the South. They were already very conservative in 1992 and provided the core of the George Bush vote. But in the Clinton period, they became even more conservative. In 1994, 63 percent identified themselves as conservative, up 11 points from early 1993, making them the most conservative group in the electorate. In the 1994 exit polls, white, born-again Protestants also increased as a proportion of the electorate. And almost 80 percent voted for the Republicans.

The conservative mobilization and emerging

voters. Conservative identification increased 12 points among white voters with high school educations and 13 points among white men without a college degree. These downscale voters evidently soured on the Democratic course as their incomes failed to follow the rest of the economy upward and as the debate in Washington was quickly dominated by taxes, spending, NAFTA, and guns. This downscale bloc is concerned with both economic instability and "big government," and it includes many of the Perot voters who broke Republican in 1994.

Seniors. The downscale swing to the conservatives includes a major component of older Americans: During the first year of the Clinton presidency, seniors became 14 points more conservative. That represents a dramatic turn away from the Clinton agenda by the principal beneficiaries of the New Deal state, which I will return to in a moment.

A DEFINING POLITICAL MOMENT?

The conservative surge had a powerful impact on those races in which Democrats faced their toughest tests in 1994. (See "State Conservative Shifts," left.) Near double-digit state conservative surges help account for the strong Republican statewide performances in California, Illinois, and Missouri; for the difficult Senate races in New Jersey and Pennsylvania; and for the Republican gains in the Midwest where the conservative surge was greatest (more than 10 points). The energized conservative bloc likely accounts for surprisingly strong Republican showings in Texas (with 43 percent conservative voters), Missouri (42 percent), Illinois (40 percent), and Michigan (40 percent).

The focus of most commentary on the current upheaval is naturally on the 1994 election itself as a defining political event. But the entire conservative advance had already played out by January 1994, the first-year anniversary of the Clinton presidency. After that, little else happened except an intensification of loyalties just prior to the election. The advance came during two defining and distinctive phases of the nascent presidency, during the early Clinton slide and during the late-year Clinton resurgence.

Phase One: The Early Clinton Slide. After an initial burst of enthusiasm for the president and his economic program, support fell off sharply in the spring and summer of 1993. The stimulus bill had

STATE CONSERVATIVE SHIFTS

Conservative proportion of the electorate, based on exit polls

State	1992	1994	Conservative Gain
California	26	36	+10
Illinois	26	40	+14
Missouri	30	42	+12
New Jersey	26	38	+12
Pennsylvania	28	37	+9

political unity among these committed Evangelicals have given some credence to the idea, put forth by pollster Fred Steeper, that Republican gains in 1994 are a product of the rising importance of cultural issues and comparative decline of economic concerns in the electorate. But, as we shall see below, that is hardly the whole story.

White downscale America. The other push toward conservatism came among white downscale

been defeated, the investment program pared down, Medicare cuts and Social Security taxes were on the table, and the Democrats were under pressure to cut spending more and raise taxes less in balancing the budget. The prominence of the gays-in-the-military controversy deflected attention from the Democrats' pocketbook issues onto a politically difficult cultural issue.

In this period, according to my own research, the conservative bloc grew about 3 points. This was also confirmed by NBC-*Wall Street Journal* polling. These early conservative gains came largely among homemakers (whose conservative identification was up 6 points), retired women (up 7 points), older women (up 6 points), and the high school educated (up 6 points).

In this defining period for President Clinton and the Democrats, conservatism was well along the way to consolidating support. The ideological polarization of conservative sentiment was fully developed by May, and conservatives were becoming decisively more Republican: A 25-point Republican advantage among self-defined conservatives in early 1993 turned to a 40-point advantage by the summer. The Republican bloc as a consequence became increasingly conservative, as the proportion of moderates in the Republican bloc dropped 6 points to 31 percent.

In contrast, the political struggles around these early Clinton initiatives did not rally the left or center or produce a countervailing mobilization. The center and left were somewhat demoralized, turning slightly away from the Democrats as the party best able to address the country's problems.

Phase Two: The Clinton Resurgence. President Clinton regained his popularity in the fall and early winter of his first year. The passage of the budget, the introduction of the reinventing government and health care initiatives, the victories on NAFTA, and the Brady Bill brought respect and support all across the ideological spectrum. That is why it is so intriguing that this period also brought the second surge in conservative support: up about 5 points in polls by Greenberg Research and NBC-*Wall Street Journal* and 3 points in polls by CBS-*New York Times*.

The gains came among groups that established

the character of the conservative surge: up 8 points with voters over 50 and, more important, 10 points with seniors (over age 65); up 8 points with the high school educated and 7 among all those without a college degree. Over the course of the year, committed Evangelicals became 11 points more conservative.

The conservative gains, against the trend of thinking about the president, likely reflected two sweeping changes in public thinking that favored the conservatives. The first was a reaction to health care reform among particular groups that shifted sentiment sharply against government. Conserva-

tives and senior citizens were among the first to turn against health care reform. A majority of conservatives opposed it immediately after the launch. Within a month, two-thirds thought it would limit choice, and three-quarters thought that it simply would create another big government bureaucracy. The rebellion among seniors proved fateful for health care reform and contributed mightily to the conservative surge. While a

majority were initially supportive of reform (57 percent), their worries about the risks and doubts about the benefits took an immediate toll, as support dropped 10 points and below a majority in just two months.

The second was a shift in the dominant worries about the country from material concerns to a renewed preoccupation with values. The number of people identifying jobs and the economy as the most important problem dropped 14 points in this period, while concern with crime and moral decline jumped 23 points. With the economy recovering, voters gave greater attention to the moral dissolution to which conservatives seemed better prepared to speak.

Phase Three: Conservative Consolidation. The proportion of conservatives in the electorate remained doggedly constant at this higher level throughout 1994. The late summer and fall brought a new intensity and consolidation within the conservative bloc. In the post-Labor Day, pre-election period, intense anti-Clinton sentiment jumped 10 points among conservative voters; now a near majority (48 percent) of them could be characterized as "Clinton haters." The negative energy

The conservative surge in 1994, while very powerful, was specific to the political moment.

among conservatives centered on the president, as there was no comparable increase in intense anti-Democratic sentiment. Meanwhile, moderate and conservative Democrats lost confidence in the Democrats and the parties in this late preelection period, with more than one-quarter saying they trusted "neither" party on the issues.

This late, energized anti-Clinton conservatism was most pronounced among the committed Evangelicals (58 percent held intense anti-Clinton sentiments, up 10 points at the end) and among the noncollege-educated men (35 percent, up 8 points). The consolidation of the anti-Clinton right dominated the election, particularly as liberals and moderates disengaged. The evidence of gridlock on health care and other initiatives no doubt contributed to that attitude, but we know from the other data that the lack of engagement was fully evident during the first, defining year of the Clinton presidency.

A NATIONALIZED ELECTION

The Democratic takeover of national politics and the conservative reaction produced a nationalized election in 1994. And that process, rather than any sharp shifts in party loyalties, best explains the upheaval. On the Republican side, voters set aside a range of considerations that previously had allowed them to indulge Democratic incumbents and, instead, cast their ballots with extraordinary partisan consistency at all levels. Thus, in 1994, 89 percent of the electorate cast ballots for Congress that were consistent with their previous (1992) presidential vote. In 1990, just 69 percent and in 1986, just 65 percent cast such nationalized ballots. (This analysis uses findings in Gary Jacobson, "The 1994 House Elections in Perspective," delivered to the Midwest Political Science Convention, April 1995.)

For Republicans, conservatives, white born-again Protestants, and voters in the South, balloting in 1994 for Congress looked like a rerun of their balloting for president in 1988 and 1992. That simple shift had enormous consequences on the ground, particularly in the South.

The Democratic and liberal vote had already been nationalized before 1994 and, thus, was little affected by the process of nationalization in this election. The rationale for voting Democratic for Congress—the ability to deliver for the district or protect social spending—had already pushed these

voters to partisan consistency. Among Democrats, 86 percent of voters backed the Democrat both for Congress and for president in 1988 and 1992; that pattern was essentially reproduced in 1994. What was new was the consistency on the Republican side. The conservative surge made the election truly national for the first time in decades by pushing conservatives and Republicans to vote Republican.

Among downscale voters, where the conservative surge was most pronounced, the election was nationalized and then some. Among those who graduated from high school but not college, for example, Democratic support for Congress dropped a stunning 13 points, compared to 1992. That is 8 points worse than their 1988 and 1992 votes for president. College graduates and post-graduates, by contrast, simply voted their presidential preference, which changed little from 1992. Democrats also lost ground beyond nationalization among Catholics (down 8 points) and white men (down 7 points).

The effect of nationalization played out dramatically in congressional districts where the Democrats were historically weak in presidential elections. The Republicans won every open congressional seat in districts that had a Republican presidential majority in 1988 and 1992; they won only 35 percent of the open seats where there had been no Republican majority. Democratic incumbents in districts that had supported the Republican presidential candidate were three times as likely to lose as Democratic incumbents in seats with no such Republican presidential majority: 29 percent of the former lost compared to only 9 percent of the latter.

In these Republican presidential districts, particularly in the South, an energized conservative bloc rebelled against the direction of Democratic politics. The more a Democratic incumbent was associated with national Democratic politics, the greater likelihood he or she would suffer at the polls.

In heavily Democratic districts—ones that had given Democratic presidential candidates 60 percent or more of the vote—Democratic House members lost no ground because of support for the president's program. In districts that had given Democratic presidential candidates 50 percent support or more, down-the-line supporters lost about 4 points, which may have tilted some of these marginal districts. But in Republican districts where Dukakis and Clinton

took less than 50 percent of the vote, the Democratic incumbents paid a very high price for aligning with national Democratic politics. Across the country, these strong supporters of the Democratic program lost 7 percentage points off their expected margin; in the South, the loss was a stunning 12 points. Strong supporters of the Clinton agenda in heavily Republican districts in the South faced three times as much erosion as weak supporters did. In weak Democratic districts (less than 40 percent for Clinton), three-quarters of pro-Clinton Democratic incumbents (those who gave him at least 75 percent support) lost their seats. (See David W. Brady, John F. Cogan, and Douglas Rivers, "How the Republicans Captured the House: An Assessment of the 1994 Midterm Elections," in the *Cook Political Report*, February 8, 1995.)

A DEMOCRATIC SURGE?

The conservative surge in 1994, while very powerful, was also specific to the political moment. That moment has changed and so, very likely, has the dynamic of our national politics. To retake the Congress and reelect the president, progressives and Democrats will have to escape the traps of the last two years and join new battles that center on the Republican ascendancy in Congress. Democrats now have the chance to forge their own reaction and their own electoral surge.

The conservative surge embodied the nation's reaction to the largely blocked Democratic national agenda and advanced a strong conservative opposition to government. But the right, contrary to the impressions of Newt Gingrich's Contract with America, did not advance a fully formed conservative agenda—only the simple and powerful idea that government messes things up.

That was enough to energize voter cynicism. In the antipolitical mood of the last election, only 20 percent of the public trusted government to do the right thing, and only 18 percent trusted Congress—down from 24 percent in 1990 and 39 percent in 1985. The voters in 1994 were deeply skeptical about the government's capacity to advance the public interest: 80 percent said the government is run for the few and special interests, not the people; 66 percent said government is the problem, not the solution. Several national polls confirmed this mood.

The conservative assault on government proved successful only because the political battles of that

period allowed conservatives to obscure their broader agenda. But even at the time of the election, voters said they preferred Clinton's economic policies to Reagan's. And while voters on Election Day said they wanted the new Congress to cut government spending, they placed an equally high priority on protecting Social Security and Medicare and on ensuring affordable health insurance for everyone. Clearly, the Republicans would have faced a tougher test had they moved from their minimalist antigovernment discourse to their broader aims in social policy and government regulation. The awakening about the Republicans over the last six months has already produced sky-high doubts about the principal Republican leader, Speaker Gingrich, whose negative ratings are now at 56 percent, and growing doubts about the Congress, whose disapproval ratings are now over 60 percent. Doubts about the Congress jumped 10 points this summer alone, suggesting the price of clarity about the broader conservative agenda.

LIMITS OF REPUBLICAN SUPPORT

A self-confident, bordering on arrogant and militant, conservative Congress is now trying to enact its nationalized program. In most areas, they are moving without having laid the groundwork with the public. The overinterpretation of the 1994 election is already apparent in the sharp public turn away from the Republicans, evident even at the end of the first 100 days of the new Congress.

The debates in Congress before the summer had already produced significant movement toward President Clinton and away from the Republicans on handling the economy (a 16-point shift), on handling the federal deficit (17 points), on taxes (15 points), on crime (11 points), on welfare (10 points), and on protecting Social Security (26 points). The belated unveiling of the conservative agenda has led to an unraveling of the goodwill and trust that first characterized this period of Republican governance. At the outset of the year, voters overwhelmingly "trusted" the Republicans in Congress more than the president to address the country's problems: in one poll by 16 points, and in another by 24. But five months later, that advantage had completely evaporated. There is obviously a long way to go, but based on the current evidence, a reaction against the conservatives seems as plausible as a continuing conservative surge.

Democrats lost because they were associated

with national Democratic politics and national political institutions, particularly the Congress, that were viewed as corrupt, ineffectual, or irrelevant. Indeed, when looking back on 1994, voters said their anger was directed, above all, at "politics as usual." But Republicans are now associated with a Congress whose image is sliding in nearly all the surveys. With the special-interest lobbyists on display, cuts in school lunches, and threats to Medicare, the public seems poised to sour on the latest version of politics as usual: An extraordinary 59 percent say there is a real danger that the Republicans will go "too far" in helping the rich, cutting government that benefits the poor and average Americans. This sound and fury in Washington sounds less and less like "real change" (27 percent), and more and more like "politics as usual" (68 percent). Just six months into the new Republican Congress, voters are forming new images of a corrupt politics. That is fuel for a Democratic reaction.

The conservative-Republican nationalized vote has likely reached its zenith. With conservatives casting 80 percent of their votes for Republicans—and self-identified Republicans, 91 percent—it is not clear there are more votes to get on the right. Future gains will have to be made on the left and in the center where there is clearly resistance. While some self-described moderates shifted to the conservatives in 1994, the liberal and moderate blocs held firm in their partisan preferences, despite the surge. Liberals cast 80 percent of their votes for Democratic House candidates, and moderates cast 58 percent—both unchanged from 1992. That kept the national Republican congressional vote at around 52 percent, not nearly strong enough to create a new Republican ascendancy.

Moreover, the Republicans could be victimized by their own success in 1994 in creating a Republican orthodoxy: 70 percent of Republicans are now self-identified conservatives. That provides coherence, to be sure, but also creates pressures to push beyond the public's taste for conservative policies. The Democratic Party, by contrast, is ideologically diverse, tilting toward the moderate center, with a significant liberal presence: 60 percent of self-identified Democrats describe themselves as "moderate" or "conservative." The party is led by a president who, for all his political difficulties in the last election, is seen as a "new kind of Democrat," not a "traditional liberal Democrat" (56 to 37 per-

cent). The president is in a position to benefit from the reaction to a reign of conservative orthodoxy.

With little opportunity for partisan gain on the right—and probably on the left as well where Democrats took 80 percent of the vote—the "moderates" emerge as a kind of battleground. They comprise about 35 percent of the electorate, while liberals continue to hold around 22 percent; conservatives now hold 39 percent. Moderates, however, are no simple "centrist" challenge: While they are indeed in the middle on equal rights and abortion, they sound more like "liberals" on the role of government and social welfare and more like "conservatives" on fiscal issues. The challenge for Democrats is how to rally the liberals and moderate center and create an energy that erodes the conservative bloc.

DOWNWARD MOBILITY AND PROGRESSIVE MOBILIZATION

The battle to enact a Democratic agenda over the last few years ended up associating the Democrats with a host of negative developments—taxes, pork barrel spending, gays in the military, gun control, foreign imports, and Medicare cuts—all of which drove downscale and older voters to withdraw politically or join the Republican surge. But the Republican takeover of Congress has turned the tables. The battle to enact a Republican agenda has already associated the Republicans with a new set of negative developments—Medicare and education cuts, tax cuts for the wealthiest and big corporations, special favors for lobbyists and corporate polluters—which could reopen the debate about which party represents working people and understands the needs of older Americans. Downscale voters and seniors joined the Republican surge, but they are already having doubts.

Could these voters, newly angered as the actual Republican program unfolds, join a Democratic reaction to Republican governance? We are hardly lacking the evidence of voter discontent and reaction. What is uncertain, however, is whether the Democrats and progressive organizations can mobilize popular opposition to this reign of conservative Republicanism. If they can give voice to the skepticism and offer something better, this volatile electorate is ready to shift loyalties once again. If they fail, we will see deepening disaffection with government and politics, and not merely a surge of conservatism. □

WHO DESERTED THE DEMOCRATS IN 1994?

BY RUY A. TEIXEIRA AND JOEL ROGERS

American elections have long best been understood as referenda on the economy, but last November the economy didn't seem to matter to voters. By most traditional measures 1992 through 1994 were years of strong economic performance, yet the incumbent Democrats took a historic beating. For exultant Republican pollsters, this was evidence of a genuine ideological victory. For social scientists who touted models of voter behavior geared to economic aggregates such as growth in gross domestic product, it was another professional embarrassment. For Democratic strategists, or anyone interested in something better than Contract politics, it should be a wake-up call for a more careful analysis. Either the economy really does not matter, in which case Democrats need to find new ideological appeals to an increasingly conservative voting public. Or it matters in ways that traditional analyses do not detect, in which case Democrats need a new electoral strategy based on new economic appeals.

Which is it?

THE IMPORTANCE OF THE ECONOMY

Wisdom here begins with an analysis of which voters deserted the Democrats in 1994, by categories of voters. Compared to 1992, Democratic support declined 10 percentage points among high school dropouts, 11 points among high school graduates, and 12 points among those with some college. Support held perfectly steady among those with college degrees. The same basic desertion pattern applies if the basis of comparison is the 1990 mid-term election. The decline in Democratic support again comes mostly from among the noncollege educated: down 9 points for high school graduates and 11 points for those with some college. The chief difference is that the 1990-1994 comparison shows very little change among high school dropouts. Merging the results, Democratic support appears to be curvilinear. Democrats are doing better at either end of the education distribution while collapsing in the middle.

Unfortunately for the Democrats, the middle is where most of the voters are. Exit polls, heavily used by strategists, understate the Democrats' problem. These polls showed the Democrats maintaining their support among college graduates, which appeared to be the largest single education group in the electorate (43 percent of vot-

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ers, according to the Voter News Service [VNS] exit poll). But exit polls overcount better-educated voters. Evidently, college-educated voters are more articulate and more willing to cooperate with exit polls, which accounts for their overrepresentation. The more reliable voting data available from the Census Bureau indicate that college-educated voters were only 29 percent of the electorate in 1994. This is actually a smaller share of the active electorate than voters with just a high school diploma (31 percent), and far smaller than the overall noncollege-educated share (71 percent).

Among whites, where the decline in Democratic support between 1992 and 1994 was concentrated (black Democratic support actually went up slightly), the shift away from the Democrats among noncollege-educated voters was even more pronounced, especially among men. Between 1992 and 1994, Democratic support declined 20 points (to 37 percent) among white men with a high school education and 15 points (to 31 percent) among white men with some college.

Contrary to the hopes invested in the "gender gap," noncollege-educated white women also deserted in droves. For both white women with a high school diploma and those with some college, Democratic support dropped 10 points. Thus, to ascribe the falloff in Democratic support to "angry white guys," as many commentators did, is to miss the point. Large numbers of noncollege-educated white men and women alike abandoned the party.

What is true of the electorate as a whole is also true of the 1992 Perot voters, a key swing group. Adjusted to reflect voting patterns in the Census data, their ranks are even more dominated by noncollege-educated voters. And they moved massively against the Democrats, down 17 points from 1992 to just 32 percent support. If repeated in 1996, this astonishingly low level of support will doom Clinton's re-election bid. Indeed, recent polls show 1992 Perot voters breaking two to one against Clinton in trial heats for 1996.

And what does this all have to do with the economy? Approximately everything. As indicated in the chart on the next page ("White Flight at the Polls"), it is precisely noncollege-educated Americans, in particular

noncollege-educated men, who have suffered the largest wage declines over the last two decades. Furthermore, this miserable experience of wage (and income) decline continued apace in the first two years of the Clinton administration, providing little relief to voters who have seen their living standards erode over time. (See Lawrence Mishel, "Rising Tides, Sinking Wages," page 60.) Finally, analysis of wage data cross-linked to the VNS data indicates that the Perot voters who voted Republican in 1994 were the ones under the most economic stress, with estimated post-1979 wage losses more than double those of Perot voters who voted Democratic.

In short, the economy matters as much or more than ever, even if how it matters is missed by traditional election forecasting models that stress overall growth. These models mistakenly presume a "rising-tide-lifts-all-boats" economy that no longer exists. In today's economy, some boats get swamped by the same tide that elevates a few. Therefore, we need to look below the surface to see what is really going on.

HOW THE ECONOMY AFFECTS SOCIAL ISSUES

To be sure, wage data are only crude measures of how the economy affects individual voters, and narrowly material concerns hardly exhaust voter motivation. Along with their income, voters are naturally concerned about the stability of economic arrangements, the amount of time they get with their families, the quality of schooling that their kids are getting, the safety of their streets, the stability of their neighborhoods, even the robustness of those civic values on which any society depends.

Indeed, a broad definition of "living standards" would encompass all these factors, since they all influence the material quality of everyday life. All of these factors, noneconomic and economic, can and do independently motivate voter choice, with the noneconomic sometimes outweighing the economic. Still, social life is materially conditioned, and the basic material of social standing is income. Job security would be less of a worry with higher economic growth and full employment. Relentless abuse and stress at the workplace would not be tolerated if they were not thought necessary to maintaining income. Public goods would be more abun-

Whites who
lost ground
swung
Republican.

dant if the taxes to pay for them were available, and taxes would be better tolerated if incomes were rising. Families and community life would get more time if less time needed to be spent working.

Thus, however enlarged a conception of "living standards" one favors, family-supporting wages and income are central. And a central fact of life for the vast bulk of noncollege-educated voters is that, increasingly, American politics does not assure it. Do that long enough, and you have an angry electorate. Do it again, and they will throw you out, almost whoever "you" happen to be.

Our quarrel is not with those who wish an expanded understanding of living standards and thus a Democratic focus on both economic and noneconomic issues. Indeed, we believe that such a synthetic approach is suggested by the 1994 election results and would be a big improvement over both the narrowly economic focus of traditional liberals and the basically noneconomic focus of orthodox New Democrats. Our real quarrel is with those who argue that 1994 marked a newly ideological turn in American politics, from which the decline in living standards can presumably be divorced. This is a widespread view in the mass media, which take 1994 as a general right turn. It's true that the percentage of self-identified conservatives increased from 30 to 37 percent between 1992 and 1994. Republican pollster Fred Steeper points to the unusually high Republican House vote among self-identified conservatives (81 percent) in 1994—a 9-point increase over 1992—as evidence of this broad conservative shift. But we are unimpressed, for two reasons.

First, this ideological shift was dwarfed by shifts reflecting voters' perceptions of the economy. Steeper's 9-point anti-Democratic shift among conservatives (37 percent of the electorate) pales compared to the 25-point shift against the Democrats among those who thought the economy was not so good or poor (about 60 percent of the electorate) and the 36-point Democratic shift among those who thought their family financial situation was getting worse (about a quarter of the electorate).

Second, 1992 and 1994 exit poll data do not show a large change in the effect of conservative ideology on the House vote. More substantial shifts take place on economic variables like family financial situation, long-term wage decline, and especially assessment of the national economy. And the most important shift of all takes place in the rela-

WHITE FLIGHT AT THE POLLS

In 1994, whites with less education and larger wage losses were most likely to desert the Democratic Party.

	% change in Democratic support, 1992-94	% change in real hourly wage, 1979-1993
White men		
high school dropout	-11	-26
high school graduate	-20	-17
some college	-15	-11
college graduate	-6	+2
White women		
high school dropout	-5	-12
high school graduate	-10	-2
some college	-10	+7
college graduate	+2	+14

Source: Authors' analysis of Voter News Service and Voter Research and Surveys exit poll data, and Current Population Survey data.

tionship of partisanship to the House vote, particularly among independents. Controlling for their general anti-Democratic swing, there appears to be no significant difference in the relationship between conservatism and the House vote in 1992 and 1994. What might appear to be an ideologically driven shift was really a pragmatic shift based on economic and other concerns. (See "Ideology or Economics?" next page.)

If long-term (and uninterrupted) declining living standards are indeed the basic story of 1994, making progress beyond it requires clarity on two questions: Why do such declines seem to disadvantage the Democrats uniquely? And what might the Democrats (or any other progressive political formation out there) do about that fact?

Who takes the political blame for long-term changes in economy and society depends on which story the average person believes about these changes. Here, long-term changes like steadily declining living standards differ from short-term changes in the business cycle (booms and recessions), which simply benefit (or hurt) the party on whose watch the growth (or decline) takes place.

The Democrats keep getting hurt by declining living standards because the story the public believes about these long-term changes casts them as the villain. The dominant story among the general public is that the long-term decline in living standards has to do with wasteful government spending (especially on the poor, minorities, and immigrants), high taxes, inefficient and obtrusive public administration, selfish behavior by interest groups, and excessive social tolerance and loss of values. Since all of this is readily identifiable with the Democrats, as the party of activist government, poor people, minorities, liberal interest groups, and social tolerance, Democrats get the blame. Because the thrust of current Democratic strategy, especially its "New Democrat" variant, implicitly accepts

this dominant story, the Democrats start every election with two strikes against them. Under extraordinary circumstances they can win. Under ordinary circumstances they tend to lose.

The only way out of this box is by offering a convincing alternative in which the government and the poor don't take most of the blame for declining living standards and in which dismantling the government isn't the main policy recommendation. Certainly this alternative includes policies to reverse wage erosion, increase job security, and rebuild communities. But perhaps most important is an alternative story that shifts the blame to other targets.

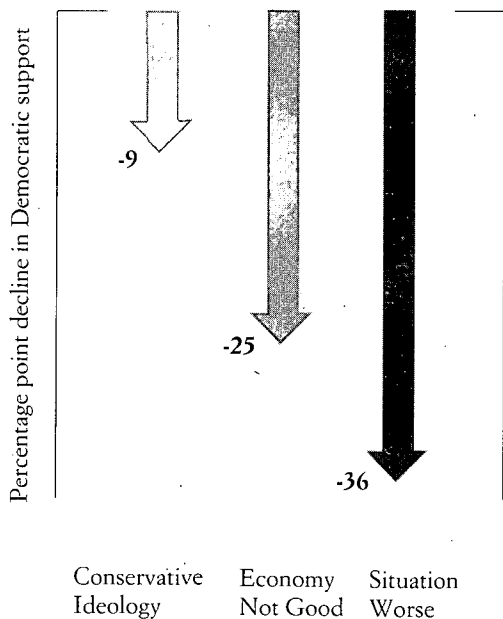
The obvious candidates for such targeting are irresponsible corporate power—the source of declining living standards and feeble government response—and its political allies. An alternative story would begin by declaring that these forces have chosen a path for the country that does not inexorably accompany economic progress (globalization, the "new economy," and so on), but does inexorably drive down living standards by eroding the material basis for family and community life. It is therefore possible and necessary to choose another path—a task from which dominant corporations and politicians have disqualified themselves by their behavior.

That such alternative paths are available is obvious from the experience of virtually all other rich nations, which have survived in the new economy with vastly better income distribution and growth patterns than our own. But this alternative account does not come easily of late to Democrats. Perhaps this is because of the fight with business interests (including Wall Street, the bond traders, and Alan Greenspan) that would be necessary to advance this alternative story and agenda. Perhaps, in our private-money system of campaign finance, it reflects the Democrats' reliance on wealthy donors. Perhaps it has to do with the current weakness of organizations that represent groups that have been losing out (for example, unions or other institutions of workplace representation).

Whatever the reasons for its current timidity, unless the Democratic Party embraces an alternative story and shows a broader willingness to contest business interests and encourage mobilization along class lines, Democrats will continue to be on the defensive and Republicans will continue to have the high ground. President Dole, anyone? □

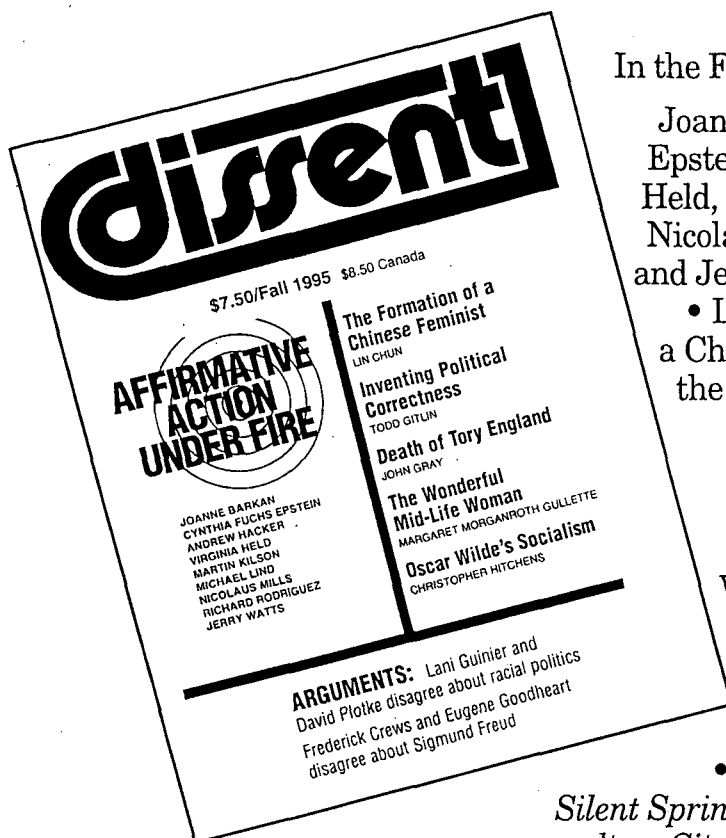
IDEOLOGY OR ECONOMICS?

The largest decline in Democratic support was among those who thought the economy was not good or their personal financial situation was worse, not among those who identified themselves as conservatives.



Source: 1994 VNS Exit Poll, 1992 VRS Exit Poll.

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THE FUTURE OF BLACK REPRESENTATION

BY CAROL M. SWAIN

The Supreme Court has “eviscerated” the Voting Rights Act, a *New York Times* editorial declared on June 30, the day after the Court ruled five to four that it is unconstitutional to use the race of voters as the “predominant” factor in drawing the lines of congressional districts. A dejected Cynthia McKinney, whose Georgia district was the focus of the Court’s scrutiny, warned that the decision in *Miller v. Johnson* might lead to the “ultimate bleaching of the U.S. Congress.” Some melodramatic critics even likened the *Miller* decision to *Dred Scott*, the 1857 Court ruling that blacks were not citizens of the U.S. and “had no rights which the white man was bound to respect.”

If the critics of *Miller* are right, the future of black political representation in Congress is grim, and blacks ought to mobilize to salvage what they can of racial districting. But another interpretation suggests a different response. The Court’s decision may not diminish black influence in congressional elections, and it may not doom black candidates for Congress. And rather than diminishing the legislative strength of minorities, the decision may well enhance minority influence in Congress by enabling liberal candidates with agendas more friendly to African Americans to get elected in districts adjacent to some of the current black-majority districts. The Supreme Court handed down a decision; it didn’t hand down the future. Much of what happens now depends on how the Congressional Black Caucus and other black leaders respond to new judicial and political realities.

WHY MILLER ISN’T FATAL

Critics of the *Miller* decision have greatly overstated its likely impact on minority representatives. The redrawing of the offending district lines does not mean that current black and Latino incumbents will automatically lose their re-election bids.

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Most current black incumbents will not be fatally affected by the *Miller* ruling. Racial gerrymandering is not an issue for the numerous black representatives of geographical areas with large compact minority populations. The growing number of black politicians elected from districts without black majorities will also have little cause for concern over the Court's ruling. Black Democrats Ronald Dellums, Alan Wheat, and Bill Clay and black Republicans Gary Franks and J.C. Watts have shown that white voters in congressional elections will support black candidates. Similarly, the elections of Illinois Senator Carol Moseley Braun, former Virginia Governor L. Douglas Wilder, Ohio Treasurer J. Kenneth Blackwell, and New York Comptroller Carl McCall show that race is no longer an insurmountable barrier to black electoral success at the state level as well. Carl McCall's victory was especially significant as he was the only New York Democrat to win statewide in 1994.

Many black incumbents, moreover, have been anticipating that the Supreme Court would rule against race-conscious districting since last year's decisions in two earlier cases, *Johnson v. DeGrandy* and *Holder v. Hall*, and have been gathering resources in anticipation of more competitive campaigns. Georgia's McKinney and North Carolina's Mel Watts, for example, have reached out to white voters and eagerly sought to build biracial coalitions. They will now be in a stronger position to gain white votes than in previous elections.

Critics of *Miller* are also missing two other important facts. First, the Court did not authorize

white officials to return to the old practice of breaking up compact minority populations into separate districts to dilute their voting power. *Miller* does not overturn *Beer v. United States* (1976), which led to a no-retrogression policy interpreted by the courts to mean that a redistricting plan or an electoral change cannot leave minority voters worse off. Thus, while partisan gerrymanders are certainly possible, black incumbents in



compact minority districts have some protection against regressive redistricting plans.

Second, even if the Court had approved race-conscious districting, the strategy of grouping together black voters in the same district to elect blacks to Congress has nearly been exhausted. Today there are few places where African Americans are concentrated enough to create more black-majority districts. Philadelphia's 1st district, New York's 16th and 17th, and Mississippi's 4th are among the last remaining areas where such a

strategy has any hope for increasing black representation. If black interests are to be better represented in Congress, racial gerrymandering is not the way.

PUTTING COLOR BEFORE SUBSTANCE

Most people would agree that African Americans lost substantive representation in 1994: The new Republican Congress represents their interests less than the previous Democratic one even though the new Congress has more black members. What went wrong? One answer is that the strategy to enhance minority representation through racial gerrymandering had the unintended consequence—unintended, that is, by most voting-rights advocates—of increasing Republican strength.

It was clearly the intention of the architects of the minority districts to give greater voting power to both African Americans and Latinos, two predominantly Democratic groups. Indeed, 13 blacks and 5 Hispanics were elected in the 18 newly created minority districts in 1992. The newly elected blacks, all Democrats, were reelected in 1994, but other members of their party did not fare as well. The Democrats' loss of 52 House seats in 1994 gave the Republicans 12 more than they needed for control. Race-conscious redistricting, the evidence suggests, cost the Democrats enough seats to shift the balance of power in the House. By concentrating liberal voting strength in a few minority districts with supermajorities of Democratic voters, Democratic candidates in nearby districts were deprived of allies in their contests with more conservative Republicans.

Moreover, some white Democrats at the state and local level lost because minority voters failed to turn out for the general elections in districts where congressional black incumbents had no serious competition. In several congressional districts, Republicans declined even to run candidates against black incumbents. Since the elections in these districts were not actively contested, some black voters stayed home and failed to cast votes for white Democratic candidates running for other offices.

Some critics have disputed this analysis. Soon after the election, the Legal Defense Fund (LDF) of the NAACP issued a detailed analysis of what was then thought to be a Democratic loss of 54 seats (later narrowed to 52 after a couple of cliff-

hangers were resolved). That analysis showed that Republicans captured 24 seats in states where there were no nonwhite-majority districts and 15 seats in white-majority districts surrounded by other white-majority districts. Of the remaining 15 districts, 8 gained minority voters and 6 remained the same. According to the LDF report, far from impeding the re-election rate of white Democrats in the South, race-conscious districting helped save Democrats in such states as Mississippi and Georgia. The report concludes that Democrats lost seats for the simplest of reasons: A majority of white voters shifted to the Republican Party.

But the LDF report fails to provide a satisfactory account of such states as Georgia, where two black-majority districts were added to the one that previously existed. The Georgia plan was largely designed to unseat Newt Gingrich by obliterating his old district and forcing him to move his residence. As it turned out, race-conscious redistricting gave him a safer Republican constituency, cutting black voters from 14 percent of his district in 1990 (when he won by only 974 votes) to 6 percent in 1992 and after.

The dismemberment of Gingrich's former district contributed directly to the defeat of 12-term Democrat Richard Ray, and redistricting led three other white Democrats to retire. Since redistricting, a nine-to-one seat Democratic advantage has turned into a seven-to-three Republican advantage (with Republicans picking up one seat when white Democrat Nathan Deal switched parties). Now Georgia's only Democrats in the House are blacks representing districts where the voting-age population is over 57 percent black.

North Carolina, which created two black majority congressional districts, is another case that illustrates how redistricting backfired. Although its six Democratic incumbents survived the 1992 elections, they were decimated in 1994 when Democrats lost two incumbents and three open seats. Before redistricting, North Carolina Democrats held an eight-to-four advantage; after 1994 the Republicans had a seven-to-four advantage. Two of the state's four Democrats are black, and one of the white Democrats, Charlie Rose, was barely reelected. The time may come when southern officeholders primarily consist of black Democrats and white Republicans.

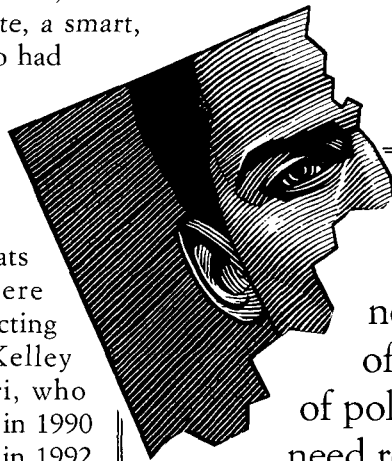
North Carolina's second district was the one most directly affected by the concentration of

black voters in nearby districts. Before redistricting, blacks made up 37 percent of the voting-age population; after redistricting, they constituted only 20 percent. Tim Valentine, the six-term Democratic incumbent, retired after his re-election margin dropped from 75 percent in 1990 to 54 percent in 1992. His Republican successor David Funderburk, a former U.S. ambassador to Romania, won the district with 56 percent of the vote. Commenting on Funderburk's qualifications, Valentine said, "He was an attractive candidate, a smart, articulate man who had written several books. He's also probably to the right of Jesse Helms."

Other Democrats whose losses were related to redistricting include Joan Kelley Horn of Missouri, who was barely elected in 1990 and then defeated in 1992 after losing more than 8,000 black voters to the district of a 13-term black Democrat, Bill Clay. Alabama's five-term Ben Erdreich, Maryland's three-term Tom McMillen, and Louisiana's ten-term Jerry Huckaby are among the other casualties of redistricting.

These results should scarcely be surprising. After all, the coalition to racialize voting districts included not only blacks and Hispanics, but also Republicans. Why should a party otherwise opposed to affirmative action have advocated quotas in the electoral system by supporting specially drawn racial districts that would surely elect Democrats? Could it be that the Republicans knew something about the effect of concentrating their opponents' strength in a few nonwhite-majority districts that escaped less discerning analysts?

Defending the strategy of race-conscious redistricting, the Reverend Jesse Jackson declared, "These new districts are beneficial because they've made the U.S. Congress look more like America. It's white, it's black, it's Hispanic, it's Asian, it's Native American, it's male, and it's female." And "it's also Republican," as Steven Holmes of the *New York Times* pointed out after the election.



Minorities
need representation
of their liberal views
of policy more than they
need representatives who
look like them.

Racial districting has had an impact not only on the makeup of Congress, but on the disposition of white representatives after black voters were stripped from their districts. In a study of the voting patterns of the white Democrats in the last Congress who had lost black voters through redistricting, political scientists L. Marvin Overby and Kenneth Cosgrove found that they became more conservative and less supportive of policies preferred by African Americans.

Although a number of analysts had predicted that the black and Hispanic empowerment strategy would backfire, voting-rights activists and minority-group leaders, almost all Democrats, forged ahead with their unholy alliance with the Republicans. The upshot was that black voters lost power and influence. Black politicians gained safer seats in a hostile Congress where many now consider themselves under siege. With the Republican capture of the House of Representatives, all

but two of the African American representatives in Congress have become minority members of the minority party. African Americans lost 3 chairmanships of full committees and 17 chairmanships of subcommittees as well as other important leadership posts.

THE REPUBLICAN AGENDA AND THE BLACK CAUCUS

Blacks in America are bound to suffer in the new political milieu of the mid-1990s, as Republicans advance their ambitious agenda to eliminate affirmative action, curtail social programs such as free school lunches, and reduce taxes. The Democratic Party has traditionally represented the policy preferences of African Americans much more effectively than have the Republicans, and the power of the Congressional Black Caucus depends on Democratic control.

During the last Congress, the Black Caucus became a major player in shaping the budget, the crime bill, the space program (which passed by a single vote), and other legislation. Caucus members

were prominent in debates on health care, NAFTA, the ban on assault weapons, welfare reform, and environmental policy. The caucus provided the margin of victory on 16 of 87 key votes during the first session of the last Congress.

In the Republican Congress, caucus members represent 19 percent of the Democratic membership (an increase of 4 percent over the 103rd), but the change in party power has effectively marginalized them. One of Newt Gingrich's first acts as Speaker was to eliminate funds for 28 legislative caucuses, including the Congressional Black Caucus and the Congressional Hispanic Caucus. The Republican also abolished three standing committees, two of which, the Post Office and Civil Service Committee, and the District of Columbia Committee, had many black members. (During the last Congress, blacks constituted 47 percent of the Democratic membership of the Post Office Committee and 62 percent of the District of Columbia Committee.)

The Republican decision to reduce the size of all standing committees meant that under seniority rules, the most junior Democrats lost their assignments on the more prestigious committees. Blacks and Hispanics who had been in Congress for less than two terms were disproportionately affected. Carrie Meeks of Florida, with the lowest seniority, lost her place on the Appropriations Committee. Mel Reynolds and Cleo Fields lost their seats on Ways and Means. Bobby Rush of Illinois lost his seats on Banking and Financial Services and on the Science Committee. Before the 1994 elections, blacks were represented on all standing committees except Natural Resources. Ron Dellums of California chaired the Armed Services Committee, John Conyers of Michigan chaired Government Operations, and Bill Clay of Missouri chaired the Post Office and Civil Service Committee. (Clay had also been in line to chair the important Education and Labor Committee.) After the 1994 election, blacks lost all these positions and many others as well.

The resurgent Republicans also eliminated more than 600 committee staff jobs, many of which were held by blacks. Hundreds of personal staffers of defeated Democrats lost their jobs; many of these too were black, since Democrats in recent years have often reached out to hire more blacks.

The Congressional Black Caucus must bear some responsibility for what has happened.

Bolstered by its increased size during the 103rd Congress, the caucus under Chairman Kweisi Mfume of Maryland took highly publicized aggressive stances against President Clinton and the Democratic congressional leadership. Caucus members publicly chastised the president over such issues as the withdrawal of Lani Guinier's nomination as head of the Civil Rights Division of the Justice Department, the racial justice provisions of the crime bill, and U.S. policy toward Haiti. Perhaps because caucus members often represent poorer-than-average congressional districts, they fought vigorously against provisions to ban contributions from political action committees, a key element of campaign reform.

A combination of factors, including the group's larger size, its aggressiveness, and the increased media attention paid to race-conscious districting, worked in concert to ensure that the caucus received more press coverage than ever before. On more than one occasion President Clinton was portrayed as kowtowing to the caucus's demands. The CBS show *60 Minutes*, for instance, portrayed the caucus as goading President Clinton to intervene militarily in Haiti to restore power to exiled president Jean-Bertrand Aristide. Although some caucus members opposed the invasion, the segment suggested the group was a monolithic far-left power bloc with substantial influence over the president. Conservative talk-show host John McLaughlin, after criticizing Mfume for trying to direct the military efforts in Haiti, referred to him as "General Mfume."

The media also focused on the conflict between the caucus and its lone Republican member, Representative Gary Franks of Connecticut. At issue was Franks's desire to participate fully in Black Caucus meetings and the organization's desire to make plans without having a member of the opposition party present. The group received still more attention when Franks threatened to resign and had to be cajoled into staying.

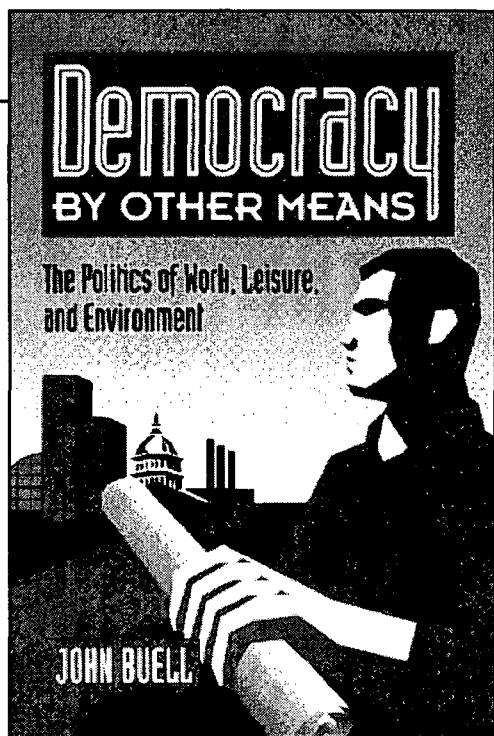
But the most costly public mistake made by the group was probably its apparent embrace of Louis Farrakhan at its annual legislative weekend, which was aired on C-SPAN and coincidentally occurred during the historic week when Israel signed its peace agreement with the Palestine Liberation Organization. After a number of groups denounced the caucus's action, individual members placed the blame on Mfume, who they said acted

without their authority. Two months later Khalid Muhammad, a disciple of Farrakhan, delivered a venomous speech at Kean College attacking Jews, Catholics, and other groups. The ensuing public outrage was so great that it led the Congress, for the first time in history, to pass a resolution condemning the speech of a private citizen. Twenty caucus members voted for the resolution, eleven voted against, four voted present, and three failed to vote as the measure passed the House 361 to 34. Mfume later reported that during 1994 the caucus had received thousands of racist threats and "buckets of hate mail." A more reflective and circumspect Congressional Black Caucus could have avoided that response.

"Black people have no permanent friends, no permanent enemies . . . just permanent interests," runs the Black Caucus motto. To pursue those interests, blacks in Congress need more friends and fewer enemies. In response to *Miller*, black Democrats need to reach out across partisan and racial lines to form coalitions with those who share their values. In some cases, they may have to work with sympathetic Republicans to craft new policies

that depart from traditional approaches to the problems that perennially affect African Americans.

Rather than constitute a disaster, the *Miller* ruling is good for the Democratic Party, good for the Congressional Black Caucus, and good for the vast majority of African Americans who need more representation of their liberal views of policy than they need people who look like them. Minority-group leaders have encouraged voters to confuse increased black and brown faces in legislative assemblies with greater power and influence, but the two are obviously not the same. African Americans can succeed politically only when they build broader coalitions. As a result of *Miller*, a more dispersed black population may enable enough Democrats to defeat Republicans to recapture the House of Representatives. More blacks in white-dominated districts will have a moderating influence on many Democrats and Republicans. So rather than decrease African American representation, the *Miller* decision may actually serve to increase it and to get Congress to become more solicitous of black interests, whatever the count of black faces. □



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JOHN BUELL

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AFFIRMATIVE ACTION'S CALIFORNIA AFTERLIFE

By Peter Schrag

For all the controversy it has generated, the decision of the University of California regents to prohibit race and gender preferences in admissions is likely to become better known for its unintended consequences than for what its backers said they meant to do.

For Governor Pete Wilson, of course, it was an effort to jump-start a moribund presidential campaign, and for the moment it paid off handsomely in a windfall of free media attention. Wilson, as one shrewd observer pointed out, is a colorless politician who derives far more political juice from the negative charge of his opponents than from any passion he can create on his own behalf. On that score, both Jesse Jackson and the Clinton administration were eager volunteers, the first by vowing to go to jail, if necessary, to stop passage of the regents' resolution, the other by threatening Justice Department investigations (subsequently withdrawn) to determine whether Wilson and the board had violated federal civil rights laws. If anything could have made Wilson's day, and his week, it was Leon Panetta going on *Face the Nation* talking tough about the possibility of withholding federal funds from California.

The campuses are likely to be less gleeful at this turn of events. Not since Ronald Reagan got his regents to fire University of California President Clark Kerr back in 1969 has a governor of California so blatantly muscled the board—not to mention the university administration and the faculty, both vigorous defenders of affirmative action—or used the institution so baldly for a political purpose. As such, the decision could remind the system's 8,000 professors, as almost nothing has for a generation, that they are something more than a collection of self-absorbed specialists connected only by a common paycheck.

How they will respond to what even some of the opponents of race preferences regard as an insult to the principle of shared university governance—meaning faculty power and prerogatives—is still uncertain. What is certain is that within two weeks after the regents' action, the e-mail tom-toms were sounding—from Davis to Berkeley, from Santa Cruz to San Diego, and back—about organizing a collective response. UCLA's crusty chancellor, Charles Young, was even musing about resigning his position. One can dismiss that as bluster, but if there is still any strong sense of faculty prerogative, this could bring a showdown with the governor and regents. It's already clear (and hardly surprising) that the regents' vote has made it far harder for them to find a strong candidate to replace the retiring Jack Peltason as the university's next president.

And, of course, it could generate outbursts from students as well. Jackson managed to bring out only a few hundred demonstrators to protest at the decisive regents meeting—many of them aging 1960s radicals like Mario Savio, famous in days of yore for his leadership of the Berkeley Free Speech Movement—but July is hardly the time to rouse the campuses. The resumption of classes this fall will provide a far better indication. Last spring, Young in effect predicted campus riots if race preferences were abolished.

But the biggest and most lasting consequence is likely to be more widespread, profound and, at least initially, more subtle, and that's a major reexamination of the broader assumptions of university admissions practices, both at the University of California and at other institutions. California is thus likely to be at the forefront of a debate on the role of the Scholastic Assessment Test (SAT), lately renormed and renamed, that has been a staple for admission to selective institutions since the 1940s. In recent years, the SAT has come under increasing attack, both in the courts and, more particularly, from a foundation-funded organization in Cambridge called FairTest, which argues that the SAT and all similar multiple choice tests are biased against women and minorities and, on the whole, not predictive of success in college beyond (perhaps) the first year.

FairTest's only real evidence is in the results. Women, blacks, and Hispanics tend to do less well on the SAT than whites, Asians, and males (or at

least white males) with similar high school records. That those numbers could just as easily reflect bias in favor of disadvantaged groups in school grading (as is surely the case for girls in elementary schools) has not muted the argument or the pressure on the universities to reduce their emphasis on the SAT or abandon it altogether. The regents' resolution not only prohibits the use of race in admissions but specifies that the university increase the percentage of undergraduates admitted solely on the basis of "academic achievement" from 40 percent to at least 50 percent. So if the university can't admit students under nonacademic criteria, it will face immense pressure to diversify its student body by altering the academic criteria. This probably means de-emphasizing the SAT with more flexible measures.

California, with its ethnically diverse population, will have to do contortions if its prestige campuses are to retain a good representation of blacks and Hispanics. If, as university administrators have predicted, the regents' decision threatens to produce precisely that result, the pressure to change the rules may come not just from blacks and Hispanics, but from whites as well. At few public universities in this country is undergraduate admission as competitive as it is at Berkeley and UCLA, and thus none where race is more of an issue. Nonetheless, the University of California's prestige and bellwether status in American higher education may turn the regents' vote into the best present FairTest has ever gotten.

Beyond the SAT question, the decision opens broader issues for the University of California and other institutions, particularly such selective state universities as Virginia, Texas, and Michigan: How, in a democracy, does one choose intellectual elites? What's the trade-off between access and standards? California's master plan for higher education makes the top 12.5 percent of the state's high school graduates eligible for the University of California; the top 33 percent are eligible for the California State University, and almost anyone can attend one of the state's 100-plus community colleges.

But the formula for determining the top 12.5 percent—grades in major high school academic subjects, SAT scores, and scores on the College Board achievement tests—was not handed down

to Moses on the mountain. It's arbitrary; if any element is changed, or if others (rank in high school class, for example) are added, the mix—racial, social, economic, geographic—changes as well, in some instances radically. Whether that ultimately will generate better academic standards or only more politically defensible ones is anybody's guess. Wilson made it plain just how political public university admission policies could become.

To be sure, all the tricks that an institution can play with admissions are relatively minor in determining enrollment and standards next to broader social and economic policies. In states like California, the quality and standards of the K-12 schools and questions about how many students should be accommodated and at what cost (and by whom paid) are determined far more by expansive and increasingly costly prison policies and by the likely shrinkage in federal subsidies for student grants and loans than by any other factor. Pete Wilson's vigorous support of three-strikes laws, which are driving prison costs through the roof, will have far more impact on California's youth than anything he's done regarding college admissions. In California's case, moreover, the affirmative action fight has taken attention from a whole set of more substantive issues in higher education—issues concerning academic priorities, productivity, funding, the trade-off between teaching and research—that have been pressing in on the state's institutions.

But that will not reduce the symbolic power of the regents' act or its consequences for higher education. We will see if it generates any new determination to address the problems of the dreadful K-12 schools that many students—not all of them racial minorities—are forced to attend. If the University of California's claims are right that it admits almost no undergraduate who is academically ineligible under its admissions standards—that preferences are only given only in admission to its most selective campuses—then virtually no one now eligible for the university will be excluded even without race preferences. The only change will be in the branch of the university system a student may attend. That makes the battles over admissions policies—those already fought, those yet to come—look all the more ironic, but it will not make them any less bitter or their ultimate result any more predictable. □

JULIAN WOLPERT

Delusions of Charity

WORKS DISCUSSED IN THIS ESSAY:

Marvin Olasky, *The Tragedy of American Compassion* (Regnery Publishing, 1992).

Lester M. Salamon, *Partners in Public Service: Government-Nonprofit Relations in the Modern Welfare State* (Johns Hopkins University Press, 1995).

There is such a thing as reforming welfare, and there is such a thing as cutting spending on welfare. It is fortunate, hold the Republicans who control Congress, that the two are synonymous. The politically appealing belief that cutting welfare will improve life for the poor rests upon two long-held conservative propositions: that most of the welfare poor are jobless because they would rather eat and not work than eat and work; and that, if welfare is scaled back or eliminated, private charity will fill in at least as well as government.

One might notice a certain contradiction here. If the problem is that we give our poor so much that it destroys any incentive to find work, then having private charities sign the check instead of government won't help. The conservative answer, the glue that holds the two propositions together, is that charity won't merely fill government's shoes, it will do better.

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Private charity, welfare cutters claim, will swoop in after years of being supplanted by welfare, cut down on abuse, and apply the sort of personalized "tough love" that government bureaucrats can't provide. The only role for government is to get out of the way.

This is the thrust of *The Tragedy of American Compassion*, by Marvin Olasky, a University of Texas journalism professor now on leave at the Progress and Freedom Foundation, a conservative think tank closely associated with Newt Gingrich. Originally published in 1992, the book was hastily reprinted in 1995 after Gingrich endorsed it in several major speeches as the blueprint for replacing welfare. The cover now features a prominent gold star advertising that the book is "Recommended by Newt Gingrich." (Perhaps one day all books will say whether or not they are recommended by Gingrich. Films could use a similar arrangement with Bob Dole.)

The Tragedy of American Compassion turns upside down conventional notions of the history of charity and welfare. According to Olasky, our society had reached its apex of compassion well before the turn of the century. He cites, for example, the record of a seventeenth-cen-

tury charitable society that "opened the bowels of our compassion"—presumably, this is intended as a positive metaphor—to a crippled widow. But this sort of aid was always denied to those who refused to work or were otherwise deemed morally unsuitable.

Paradoxically, the author argues, the decline began during the Progressive Era, when the middle and upper classes first became widely aroused to the plight of the urban poor. Olasky sees much good in this era but also the beginning of large-scale solutions that indiscriminately dispense aid without addressing the moral failures that, in his view, made people poor in the first place. He insists that, except during the Great Depression, poverty has nearly always

Giving
legitimacy
to social
indifference

been due to character flaws on the part of the poor. Handouts will only reinforce this behavior. Olasky takes this position to its reductio ad absurdum himself, approvingly citing Andrew Johnson's opposition to government programs to aid newly freed slaves after the Civil War.

Olasky criticizes government involvement in welfare on several grounds. First, while volunteers historically dispensed aid personally, with an eye toward its impact upon the recipient, gov-

ernment invariably depersonalizes the process. Second, it does not emphasize Christian religious conversion, which he calls "the key to poverty fighting." (The author complains that, when posing as homeless several years ago, he was commonly offered food but never given a Bible.) Finally, government pushes out private charity. The advent of professional social workers, he argues, has elbowed out full-time volunteers.

The critique is not limited to government. "Too many private charities," he complains, "disperse aid indiscriminately and thus provide, instead of points of light, alternative shades of darkness."

Even if we are to accept Olasky's image of the golden past, he provides no good reason to suppose that those old solutions would work today. Indeed, he makes no mention whatsoever of the social and economic changes that account for most of the developments he bemoans.

Olasky, for example, observes that in early America "the able-bodied could readily find jobs in a growing agricultural economy." Those who didn't work were lazy, drunk, or the like. Yet he assumes that this is no less true today, even though industrialization and growth in productivity (not to mention the business cycle) make it at least unlikely that everyone will be employed all the time.

Likewise, the author attributes the decline in personal attention given to the poor—a trend he infers completely from anecdotal evidence—to progressive charity and welfare. Olasky quotes Alexis

de Tocqueville as saying that Americans have "compassion for the sufferings of one another when they are brought together by easy and frequent intercourse." But this rarely happens anymore.

Inequalities of wealth generated by the Gilded Age a hundred years ago and suburbanization after World War II have segregated Americans by economic class. Perhaps Olasky's prescrip-

tion of each community taking care of its own made sense 200 years ago, but it's hardly practical to suppose that Beverly Hills and South-Central Los Angeles will each tend to their own poor. In fact, there are programs, such as VISTA and City Year, that bring the better off into close contact with the poor, but Olasky ignores them completely.

Even more bizarre is the author's denigration of professional social work. Very few people are available for volunteer charity work, particularly as increasing numbers of middle- and upper-class women have entered the world of work. Perhaps it's true that we give less personal attention to the poor today, but that's why we have social workers. Olasky mistakes the cure for the disease.

MISDIAGNOSIS

So what do we do about this decline in charity? Perhaps, for Olasky and the conservatives who have embraced his book, the first step is admitting that we really *don't* have a problem. In *Partners in Public Service: Gov-*

ernment-Nonprofit Relations in the Modern Welfare State, Lester M. Salamon of Johns Hopkins University notes that between 1950 and 1980 "a massive increase took place in the size and

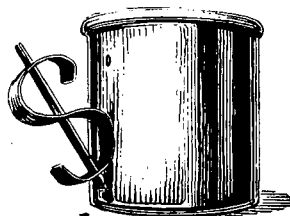
scope of America's nonprofit sector."

Moreover, he finds that the expansion of the welfare state and nonprofit sector were causally related: "By the late 1970s, in fact, the private nonprofit sector had

become the principle vehicle for the delivery of government-financed human services, and government had, correspondingly, become the principle source of nonprofit human service agency finance."

Olasky, in other words, has it backwards. Public generosity aids private generosity, and vice versa. And rather than liberating charity, the Republican welfare plan is likely to cripple it.

Charity has never been well suited to providing a basic safety net for the poor. Salamon classifies four basic failures of private philanthropy in this regard: It is insufficient, particularistic, paternalistic, and amateur. Olasky may consider paternalism a virtue rather than a weakness, but he fails to address the inherent weakness of vesting all control of the resources spent on the poor with the wealthier Americans who donate to private charity. Olasky is correct that this power enables private charities to emphasize religion more than welfare or government-aided charity, but it is simply inconsistent with our nation's political



traditions to insist as public policy that the poor's receipt of aid be contingent upon their acceptance of religious guidance.

Only a tiny share of charitable contributions made to nonprofits is devoted to helping the less fortunate. The rest goes to services used by the donors themselves. More than 85 percent of contributions, even to churches, are channeled into administrative and maintenance costs. Despite Olasky's faith in the power of churches to handle welfare, they rarely minister outside their congregations.

Is this likely to change if the welfare state is pared back? Obviously, this is a crucial question, but the Republicans have made no serious effort to predict

the impact of their experiment. Conservative apologists for stripping the welfare state argue that the impulse to help the poor through welfare can be divorced from the impulse to help them through charity. The facts, unfortunately, do not cooperate with this fantasy. Communities less generous in their state and local public-sector assistance for the poor are also less generous in their charitable contributions. In Olasky's home state of Texas, to take one example, donations per employee to United Way campaigns in the late 1980s were \$19 in Austin, \$38 in Dallas, \$39 in Fort Worth, \$38 in Houston, and \$41 in San Antonio. In comparison, employees in Cincinnati gave \$60, in Cleveland \$69, and in Columbus \$59. The results are similar for the national disease

campaigns and fundraisers for public radio and television. The pattern holds true across the country, even taking into account poverty rates and income.

Olasky's solution to the welfare problem, at least nominally, has two parts: We must stop giving money to the poor and instead grant them personal attention. But his book is not packaged as a call for right-thinking Christians to flock to this country's pockets of poverty. Certainly, this is not the message that Gingrich seems to have taken from it. Instead, it legitimizes for the stingy a moral reason to turn their backs on the poor. It turns out, Olasky and his supporters find, that the underprivileged are better off if we keep our money. No wonder the message is so popular. □

CORRESPONDENCE

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ers, for their skill and resourcefulness.

Like Robbins, we recognize the importance of controlling construction and housing finance costs. Bloated development costs of federally subsidized projects are not typically due to developers' incompetence. Rather, they result from political payoffs (remember the HUD scandal?), or the complexities builders face patching together the myriad local, state, federal, and foundation subsidies that are now needed to construct affordable housing. One federal housing policy—the low-income housing tax credit (which provides tax breaks to investors in low-income rental

projects)—is a full employment program for high-priced real estate lawyers and consultants.

In part because Robbins is honest and skillful, he was able to construct no-frill row houses in East Brooklyn economically. But those conditions don't exist in every city. Sometimes smaller-scale infill projects and rehabilitation are preferable or unavoidable. In rebuilding our cities, one size does not fit all.

None of our policy proposals are pie-in-the-sky. In fact, all of them are based on existing, successful (though relatively small-scale) programs that have emerged over the past decade or so. We want to move them from the margins to the mainstream of the housing policy.

Are these ideas "romantic," as Robbins claims? No more so

than the idea that a group of churches in a battered low-income area like East Brooklyn could revitalize their neighborhood by building single-family homes for the working class.

Since our article was published, Congress has slashed HUD's budget. Senator Phil Gramm plans to file a bill to kill HUD altogether. In the current political climate, HUD's friends and allies—fragmented and disorganized—are virtually helpless to protect the programs they rely on. The coalition of big-city mayors, developers of subsidized housing, and the poor is too narrow to wield much political muscle. Until more Americans feel they have a stake in federal housing and urban policy, this situation is unlikely to change. □

DAVID LAUTER

The Smoldering Electorate

WORKS DISCUSSED IN THIS ESSAY

Kevin Phillips, *Arrogant Capital* (Little Brown, 1994).

Jonathan Rauch, *Demosclerosis* (Times Books, 1994).

Stephen Skowronek, *The Politics Presidents Make: Leadership from John Adams to George Bush* (Belknap Press, 1995).

For well over five years now, accounts of the American mood have used such descriptions as “sour” and “cranky” and “irritable.” After a political stasis that seemed to give congressional incumbents life tenure, impatient voters began a housecleaning in 1990. Even before the earthquake of 1994, the 1990 and 1992 elections had produced congressional turnover at levels comparable to such previous high-water marks as the post-Watergate election of 1974. In 1992 the voters ended the Republican Party’s 12-year reign in the White House and then two years later handed the new incumbent the worst mid-term defeat since 1946.

Through all this, except for a

brief interlude during the Persian Gulf War, polls registered record high levels of Americans saying the nation was headed in the “wrong direction.” To some in office, the voters’ pessimism seemed, if not inexplicable, at least irrational. After all, they argued, America had won the Cold War, experienced sustained economic growth during the 1980s, and conquered the leading economic malady of the 1970s—stubborn inflation. If only people would stop dwelling on their problems, or perhaps if the news media would just stop talking so much about them, America’s mood would improve.

That stance was the more or less explicit view of most senior officials of the Bush administration in its last two years, and it proved remarkably unpopular with voters. It also failed to take into account some real problems, most notably declining wages for a substantial share of working

Americans, particularly men without college educations, and a badly stressed social fabric that left many middle-class families, even those who had done well by conventional measures, feeling that their standard of living had declined.

As those worries came into focus during the 1992 election, analysts in both parties offered new theories to explain why government had seemed unable to respond. Many Democratic analysts attributed the problem to gridlock. End divided government and restore a sense of activism to the executive, and both the nation’s true prospects and the mood of the electorate would brighten—so they hoped. On the conservative side, some Republican analysts attributed the problem to the continued dominance of what they viewed as an outmoded liberal hegemony in Congress. “Clean House,” as the GOP slogan went, and the country would once more return to the right track.

Both of those diagnoses now appear almost quaintly naive. As the record of Clinton’s first two years in office painfully showed, divided government was only one—and probably not the most significant—of the barriers to effective responses to the nation’s problems. Nor did an end to Democratic control of Congress usher in a new era of optimism, as some Republicans hoped it would. After the 1994 election, the percentage of Americans who felt the nation was on the “right track” did go up. But like the increase after

Three books that explore the roots of American frustration

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Clinton's election, this one proved short lived. By the time Newt Gingrich's first 100 days as Speaker drew to a close, a spate of public opinion polls showed pessimism reigning once more. In a *Los Angeles Times* survey in late March, for example, only 30 percent of respondents said they believed the nation to be on the "right track"—a sharp decline from polls earlier in the year and a return to the low levels that had prevailed before. Moreover, the success of the new Republican Congress in passing portions of its program was greeted with a steady drop in its public approval ratings. By the time the House and Senate completed action on the Republican budgetary blueprint in the late spring, a plurality of Americans in several polls were expressing disapproval of the GOP's course.

That result should come as little surprise. Most of the legislation passed by the House in the opening months involved largely symbolic "process" issues that had a popularity which was wide but not deep. Legislation to apply workplace-safety laws and similar requirements to Congress, for example, responded to a gut sense on the part of many voters that members of Congress had unfairly insulated themselves. But while most Americans support that sort of change, few give it a high priority for the obvious reason that it has little direct impact on their lives. (And as cynical voters might suspect, the bill as passed by Congress and signed into law does not even achieve the limited goal it claims. Congress will not be directly subject to the scrutiny of the Occupational Safety and Health

Administration and other regulatory agencies; anyone expecting to see inspectors descend on the Capitol will be sorely disappointed.)

As Congress in the next few months plunged into full debate on far more important, and controversial, legislation, such as proposals to reduce the cost of Medicare, the already high degree of polarization and volatility in the electorate predictably grew. That result, in turn, has once more focused attention on what appears to many to be the central question in American politics: Just what is it that so many Americans feel has gone wrong with their political system, and what, if anything, can be done to fix it?

THE NEOPOPULIST CONFUSION

Even before the great upheavals of the past six months, the persistent sense of a gap between the nation's needs and the performance of its political system had brought forth a new set of analyses of what ails us. Three recent books, one by a well-regarded Washington journalist, a second by a Yale political scientist, and a third by one of the country's best-known political strategists and pundits, exemplify the arguments.

During a public career that has lasted for more than a generation, Kevin Phillips has honed a reputation as an insightful and original political analyst. In the late 1960s, he correctly surmised that lower-middle-class white resentments of Democratic policies on civil rights and Vietnam and of the influence of cultural elites within the party would

provide Republicans an opportunity for victory. That insight helped shape Richard Nixon's successful "southern strategy" and also propelled Phillips and his first book, *The Emerging Republican Majority*, to prominence.

Twenty years later, Phillips correctly sensed that Republican policies favoring upward redistribution of income and wealth had gone too far to be politically sustainable. At a time when most analysts (and Democratic politicians) viewed George Bush as unbeatable, he predicted Bush's downfall.

In a profession where persistent error is no bar to fame, Phillips's record of being right twice on major shifts in American politics has justifiably earned him considerable attention. Nonetheless, his most recent work, *Arrogant Capital*, is a miserable book, an unpersuasive op-ed essay swollen to book length with overheated rhetoric.

The book does have a few useful insights. Writing last year, Phillips correctly predicted that if they gained power, the GOP would push to replace the current income tax with some form of highly regressive consumption levy—anticipating such proposals as Senator Richard Lugar's 17 percent national sales tax and House Ways and Means Committee Chairman Bill Archer's proposal for a consumption-oriented "flat tax." As Phillips correctly points out, all such proposals would either shift massive portions of the tax burden away from the wealthiest 1 percent of households and toward average wage earners or would rapidly become as complex as the system

they propose to uproot. Phillips also correctly anticipated the public's volatile response to such political changes as the Republican takeover of Congress. "The frustration among Americans that has built up since the late 1980s is real and valid, and apparent revivals of national confidence will only be temporary without changes in the political, governmental and interest-group system," he writes. Unfortunately, those points are only tangential to his main thesis.

The central point of Phillips's book, as reflected in his title, is that America's problems reside almost solely in the capital city itself. Gussied up with thinly documented parallels to Madrid, Amsterdam, London, and Rome in their imperial heydays, Phillips proposes that the capitals of major powers inevitably grow corrupt and decadent and drag down their nations. Having never read, or forgotten, Mark Twain's account of the Gilded Age, he amazingly writes that Washington's "transformation" into a sink of corruption "has only been recent."

Washington, this resident of Bethesda, Maryland, complains, has too many lawyers, lobbyists, and French restaurants. The city has grown out of touch with the rest of the nation and has, in particular, fallen into the embrace of that other great populist bogeyman, the financial powers of Wall Street. Together, the two forces of arrogant capital have fastened on the backs of a virtuous citizenry and threaten not only the republic as we know it, but nothing less than Anglo-American civilization.

This juxtaposition of evil capital and virtuous citizenry echoes complaints as old as Thomas Jefferson's indictments of the Hamiltonians and as recent as Ross Perot's attacks on Washington insiders. It is also largely imaginary—a chief point of Jonathan Rauch's book, *Demosclerosis*—but Phillips spends little time documenting his argument, preferring, instead, the broad brush.

After some 180 pages of indictment and call to arms, Phillips then closes with a thinly argued 30-page outline of a reform program. In keeping with the rest of the book, his proposed solutions are contradictory in places and only sketchily described in others. He proposes, for example, to reduce the power of Washington by moving some government agencies to other cities—the Department of the Interior to Denver, perhaps—but simultaneously suggests amending the Constitution to reduce a separation of powers that he feels now stands in the way of effective presidential action. He also suggests diminishing the role of lobbyists in the government without saying how and suggests experiments with "direct democracy," such as national initiatives and referenda, without considering how to prevent the direct ballot from becoming an expensive playground for special-interest campaigns, as has happened in California.

Withal, Phillips's book does serve one useful purpose, as a compendium of those ideas that now comprise the canon of American neopopulism: too

many laws and too many lawyers, too many lobbyists, too much concentrated wealth, too much activity in the "paper economy" to the detriment of the "real economy," and too little government control of international markets and capital flows. Readers—and voters—will have different views of the relative merits of each of those complaints, but both ends of the political spectrum—the Pat Buchanans and the Jerry Browns, with Ross Perot in between—will continue to give voice to them between now and the next election.

EVERYONE'S SPECIAL

Jonathan Rauch has an entirely different outlook. A longtime reporter, now a contributing editor, at *National Journal*—the quintessential Washington-insider policy magazine—Rauch rejects the notion that the nation's problems can be traced to some peculiarly noxious emanations from the Potomac. The legions of lawyers and lobbyists about whom Phillips complains do not inhabit the capital city on their own initiative, Rauch points out. They are agents, and the phenomenal growth in their ranks reflects the huge increase in the number and scope of associations in America whose purpose is to secure one or more public benefits for their members. "We Americans," he writes, "have achieved the full democratization of the special interest deal: influence peddling for the masses. . . . Today, everyone is organized, and everyone is part of an interest group. We have met the special interests, and they are us."

Rauch is not, of course, literal-

ly correct. Not everyone is organized. The poor, by and large, are not, although the social workers who serve them are. Neither are the majority of children. Unsurprisingly, in the competition to divide scarce resources, those two groups—to a depressing extent they overlap—have come in last.

But while that exception is an important one, it does not undermine Rauch's central thesis for a reason that liberal politicians and those who support them should examine with care. For much of the past generation, conservatives have successfully carried out a campaign to convince Americans that a disproportionate amount of their tax dollars was being channeled by Washington to the "undeserving" poor. That premise has girded Republican proposals to balance the budget by first attacking such programs as welfare, Medicaid, and food stamps. Liberals, to some extent falling into a conservative trap, have attempted to fight back by opposing the notion of budget balancing itself, rather than by shifting the debate to proposals for cutting other, far larger, claims on federal resources.

The consequences of that strategy have been highly destructive for the groups that liberals set out initially to defend. For a defense of antipoverty programs has become, in the public's mind, almost inextricably bound up with maintenance of large budget deficits. The reality, of course, is that the conservative premise is wrong. Most federal resources do not go to aid the poor. Even if, for argument's sake, one looks

only at direct spending and ignores the cost of tax loopholes, the vast majority of federal money flows to the already comfortable, from defense contractors to large corporate farmers. Even some programs that ostensibly serve the poor have often been structured in ways that actually channel the bulk of the money to people of wealth, trusting that the poor will benefit from the crumbs falling from a well-laden table. The cost of some of the nation's largest housing programs, for example, has been padded with heavy subsidies for landlords—subsidies that many analysts believe go far beyond the amounts needed to provide shelter to the poor.

If tax expenditures are included in the analysis, as they must be for any complete accounting of the government's impact on the economy, the disproportion becomes overwhelming. The lion's share of government spending goes to help those who are already well off, yet the benefits to the middle and upper classes have been largely sheltered from the knives that have pared poor people's programs.

Rauch's book helps explain why. The more government seeks to redistribute wealth and income, he notes, the more organized groups will emerge either to capture a portion for themselves or to defend what they have. In that competition, money and power flow to those who already have it.

In America today, he asserts, seven of every ten people belong to some form of association. The

specific figure, derived from a survey by an association of people who manage associations, may be suspect, but the overall

magnitude seems almost certainly correct. From the American Association of Retired Persons to the National Rifle Association to the Association of

American Historians, America has become a land of organized constituencies, each intent on holding onto a specific piece of the overall pie.

Rauch's contribution to the debate is to lay out the perverse dynamics that drive the growth of organized interest groups. According to the Congressional Budget Office, 48 percent of all American households, including many with high incomes, last year received some form of federal entitlement check—unemployment compensation, Medicare, Social Security, food stamps, pension, veteran's benefit, or welfare allotment. If I belong to a group of 1,000 people who share in a million-dollar annual federal benefit, he points out, my fellows and I would each be well advised to spend \$250 a year to keep a lobbyist gainfully employed preserving our program. In contrast, no one would have a comparable economic incentive to kill our program. Divided 250 million ways, the reward for thrift would be inconsequential. The reverse is not true. Those who participate in programs that provide small benefits to a huge number have less of an incentive to organize, and generally fewer resources to deploy even if they wished to do

Not
everyone is
organized.

so. The system encourages formation of additional groups, for as word of one organization's success spreads, others inevitably see the logic of organizing to seek their own benefit. Multiply all this by 150 billion, or so, and you have the federal budget.

To make matters worse, Rauch points out, the hypothetical \$250 we each invested in holding onto a federal check is money we could have invested in an enterprise that would have made society more productive. While our actions and the actions of every other member of a group are perfectly rational, the effect on society as a whole is not. As more and more groups accumulate, spending more and more time and money to secure their "fair share," the process begins to siphon significant resources away from more productive endeavors. Government becomes inflexible, unable to adapt to new challenges, its arteries clogged by *demosclerosis*.

The history of the Clinton administration provides a giant case study in this problem. When Clinton sought funds for his chosen "investment" programs, he found virtually the entirety of the \$1.5 trillion budget spoken for. Even before the Republicans began cutting this year, Clinton was forced to settle for turning his grand plans into, at best, medium-sized pilot programs—too small to have a significant impact on either policy or politics.

That, Rauch argues, is why *demosclerosis* ought to concern liberals. Conservatives, after all, need not worry greatly about the

problem, for they have a ready solution. If government simply stops providing benefits or meddling in the market, people would have nothing to lobby about and the problem would go away.

Rauch, however, rejects that view: "To say that medicines have side effects is not to say that medicines are worthless and should be abolished." *Demosclerosis* is a side effect of government activism, he argues, but that does not mean that activism itself should be abandoned. Either it must be disciplined, or it will become impossible—foundering in its own by-products.

CYCLICAL TROUBLE

Approaching the subject from a different starting point, Yale political science professor Stephen Skowronek reaches a similar conclusion. Skowronek's book, *The Politics Presidents Make: Leadership from John Adams to George Bush*, has received high acclaim in his profession, winning two major awards from the American Political Science Association and garnering far more attention than the average political science book. In Skowronek's conception, American politics is cyclical, divided into "regimes." As every regime ages, its inherent contradictions come to the fore. Those contradictions widen and deepen, pushed along inevitably by each president's attempts to assert himself as a leader. Eventually, the regime begins to lose coherence and collapses into crisis. A new leader arises who repudiates the old regime and starts the cycle anew.

That description leads to a major reconceptualization of

presidential history. For at least a generation, historians have tended to examine the presidents since Roosevelt as a unique set—the Modern Presidents—with little reference to their predecessors. Skowronek puts recent presidents into better perspective, showing, for example, that the problems of a Jimmy Carter can be illuminated by examining the situation faced by his analogues in political time—men like Franklin Pierce, John Quincy Adams, and Herbert Hoover, who shared the misfortune of presiding over a regime in its dying throes.

In Skowronek's view, presidents are constrained by whether they have come to office as part of the dominant regime or in opposition to it and by whether the regime itself is still strong or has begun to decay. The standard journalistic convention, in which every modern president is compared to Roosevelt, 100 Days and all, ignores the reality that few presidents come to office with the freedom given to one who is the avowed opponent of a regime that the public has thoroughly rejected.

Skowronek makes a second point as well: The cycle of political time exists alongside the linear reality of secular time. Because of that, each cycle is different, "in each successive cycle the roller coaster has taken a slightly different loop." In the successive cycles, Skowronek sees a steady "institutional thickening" of government and society—a thickening that simultaneously gives the president more power and makes that power harder to use. When Thomas Jefferson, the first presi-

dent to repudiate an old regime, came to office, he had relatively few direct powers at his disposal and also little organized opposition. Each of his counterparts in political time—Andrew Jackson, Abraham Lincoln, Franklin D. Roosevelt, and Ronald Reagan—had successively greater powers to wield but found himself facing

sors, he failed to rout his enemies and was unable to establish his own regime firmly in place.

Skowronek attributes Reagan's failure to the institutional barriers against presidential action. Jefferson swept those barriers aside, but they were daunting as early as Jackson's day and were sufficient to defeat

Roosevelt on some initiatives; by Reagan's time they were simply too strong to overcome. Modern presidents, Skowronek argues, cannot expect to sweep away the old order, in the fashion of Old Hickory taking on the Bank of the United States. Instead, they must pursue their goals by the harder and less immediately satisfying path of alternately co-opting and preempting their

adversaries. Wilson, Eisenhower, and Nixon, not Jefferson, Jackson, and Lincoln, are the models that Skowronek holds up for presidents today.

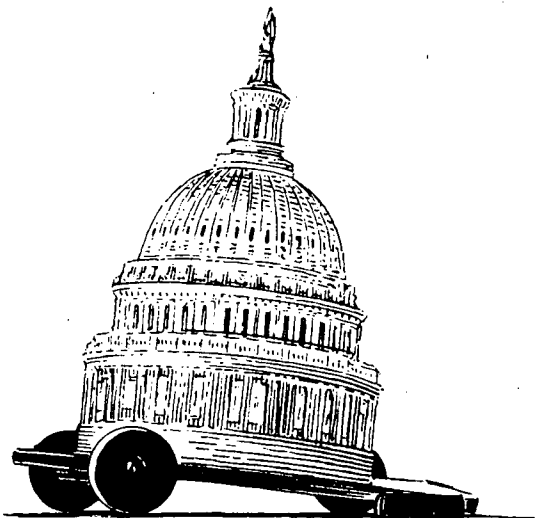
But the lessons of history may be learned too well. It is true, as Skowronek notes, that Ronald Reagan failed to replicate Roosevelt's feat of building a new regime on the wreckage of the old. But Reagan was a highly unusual president—passive, intellectually uncurious, ideologically rigid, and remarkably detached, according to the many accounts of those who served in his White House. A more energetic and imaginative politician might have succeeded where Reagan failed. Speaker Gingrich certainly believes so. And per-

haps the sclerosis that Rauch diagnoses is not so much a universal constant as a product of the late stages of a regime that has stayed in power far longer than any comparable political system in our history.

What, then, does all this portend for the future and, in particular, for American liberalism? One possible conclusion is that the age of sweeping change—the sort of political strategy that Skowronek calls the strategy of repudiation—has simply come to a halt in the United States. Perhaps the country has, at last, become too big, too crowded and, for most people, too prosperous to risk the major upheavals of a sudden shift in policy. If so, perhaps the stance that American liberalism has taken most of the time in recent years—one that amounts essentially to tinkering with inherited machines, not building new ones—is the best that can be done. That is certainly one conclusion that could be drawn from the arguments Rauch and Skowronek have amassed and one line of analysis that has emerged from the collapse of Clinton's health care reform proposals last year.

But against that conclusion one must weigh the reality we began with: A clear and persistent majority of Americans feel that the current system has stopped working for them. For those Americans, a political movement that begins its credo with "this is almost the best we can do" will attract little support.

Unfortunately for the moderate left in this country, liberal



more entrenched opponents. This thickening is another manifestation of the same phenomenon Rauch has described—the steady accretion of interest groups and independent power centers.

Skowronek's is not an easy text. Nonetheless, his analysis offers a fascinating perspective on the past 15 years—and our current dilemma. In Skowronek's view, Ronald Reagan was the latest, and least successful, in the line of presidents to adopt the "repudiative stance." Like his parallels in political time, Reagan campaigned against a long-entrenched regime that had lost public confidence and pledged to restore ancient virtues and verities. But unlike his predeces-

Democrats and the interest groups that support them repeatedly have put themselves in precisely that position in the last two decades. One has only to look at the stands Clinton has taken since the Republican capture of Congress. The candidate who exhorted voters in 1992 to "make change our friend" has now taken to warning Americans of the risks of change that is too rapid, too dramatic. From affirmative action to Medicare to public schools to welfare, Clinton has put himself in the position of defending institutions and policies of the New Deal and Great Society against attacks by Gingrich and his legions. The congressional Democratic leadership has been still more focused on defense, reacting with outrage to White House proposals that would

change existing institutions.

Of course, many of those institutions merit a strong defense. Medicare, for example, successfully lifted a generation of older Americans out of poverty. Public schools, while they have become dysfunctional in many major cities, continue to provide high-quality education for the majority of American children who live outside of inner cities. Moreover, as a matter of political tactics, a defensive strategy might well prevail—in the short run. Gingrich may well find that the status quo he seeks to overturn will, instead, crush him under its weight. Should the Republicans seek to cut back Medicare benefits, limit abortion rights, and eliminate environmental regula-

tion, for example, Clinton could well eke out an election victory based on fear of Republican excess. Democrats might well succeed in recapturing one or both houses of Congress in 1996.

But while that approach may get the party through the next election, it will neither resolve the long-term problems of federal spending nor bring the fundamental change that American voters seem to hunger for. Republican proposals for responding to those problems largely amount to destroying the system to save it. But Democrats, particularly in Congress, have failed to offer a credible alternative. To respond to voter dismay, the party of Roosevelt must get off defense. The books by Rauch and Skowronek help indicate what a historic leap it will have to take. □

HOW LOW

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lower pay. Think of all those managers in middle age and older, with mortgages and kids in college, eyeing their juniors at the office and wondering, "How low will Charlie or Ann bid for my job?"

The bidding would be in reverse—instead of rising bids, the bids would go down. Companies could surely cut their costs. Psychologists could recommend how to zero in on employees with low self-esteem who would be certain to cut their own pay voluntarily ("I didn't really deserve that much, any-

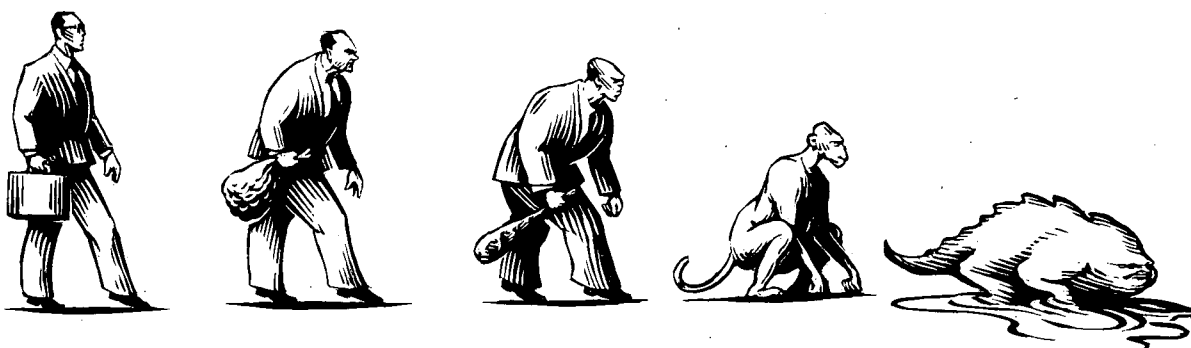
way"). Stockholders would approve; economists would explain why regularly bidding for your own job is desirable, even necessary. (Young economists might be especially attracted to this idea as a way of underbidding their elders in economics departments.) As a successor to total quality management, we could have "total insecurity management."

Maybe we have it already. Michael Useem, who teaches at the Wharton School and writes about corporate restructuring, says, "I used to teach a section called the 'high-commitment organization,' and I realized I wasn't talking about America."

The issue isn't just business

and jobs. Work relationships are a template for other relationships—indeed, a basis for them. People who cannot count on secure employment cannot easily offer security to a family; they're likely to put off getting married, having children, and buying homes. One of the great paradoxes of contemporary politics is that the celebrants of traditional "family values" also have such enthusiasm for unrestrained markets that jeopardize stable family and community life. An honest conservatism would confront the tensions. Our conservatives just pretend their economic and moral counsels fit together.

—P.S.



BIDDING FOR YOUR JOB

Not so long ago, employees of large corporations believed that if they did their jobs well, they could count on working for the company for the rest of their careers. The downsizings and reorganizations of recent years have exploded that premise. Still, some remnants of the old beliefs linger on. Most people assume that if they continue working for a company, they will at least receive the same salary.

Now that premise is also giving way. Consider a practice that some companies have lately adopted: bidding for your job.

Bidding for jobs is typically part of a corporate restructuring—as it is, for example, at New Jersey's major electric and gas company, PSE&G, which is itself now bidding for commercial customers in what used to be a highly regulated and protected industry. According to PSE&G's corporate planning department, the leaders of each business unit adopt different

approaches to restructuring. One of these is "zero-basing." After reexamining a unit's work, the leaders might conclude that it requires, say, only 50 employees instead of the current 80. The new jobs are posted, and all the employees receive training in writing resumes and selling themselves. Then they bid for the positions, albeit not necessarily at the salaries that they used to receive.

We first heard about the practice in connection with a manager at PSE&G who took a pay cut of \$20,000 to keep his job.

According to a recent story in *Newsweek*, some companies are now cutting pay not just when they are in difficulty, but even when they're doing well. Mobil,

which had \$1.7 billion in profits last year, instituted a general freeze on salaries, except that it's planning to subcontract most of its clerical and support operations to lower-paying outside companies. (Is that the sound of financial

analysts applauding?) The *Newsweek* article shows a picture of Nancy Mudd, who had

11 years' experience as a ticket agent at American Airlines before ticketing was spun off into a subsidiary, AMR Services. Formerly paid \$40,000, Ms. Mudd was offered the chance to keep her old job at \$16,000.

Many observers have commented on the growth in temporary workers, but as Rosabeth Kanter argues in this issue ("Nice Work If You Can Get It," page 52), the change taking place in employment relationships is more pervasive. Expectations about regular jobs have changed. A "good job" used to include a future with the company; now even a lot of good jobs involve only short-term commitments. It's the economic counterpart to a life of one-night stands. The old norm of reciprocity—you work hard for us today, we'll take care of you tomorrow—is going, nearly gone.

So it's easy to see how bidding for jobs could become routine. We can already imagine how some consultants will take this to its logical conclusion. Firms might periodically announce an auction and open particular jobs for bidding by any other employee willing to take the job for

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The Politics of Disappointment

American Elections, 1976-94

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